



PwC Global Crypto Regulation Report 2027

Navigating the global landscape, the 5th edition

October 2026



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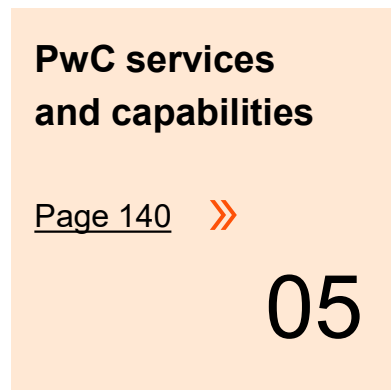
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Report overview

Report overview

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Overview and foreword

PwC's Global Crypto Regulation Report 2027 examines how regulatory frameworks are evolving across key markets and what this means for firms navigating an increasingly mature, but still fragmented, global landscape.

02

Global regulatory trends

Crypto regulation is entering a new phase. Across major markets, the focus has moved from rulemaking to implementation, supervision and enforcement, while new policy questions continue to emerge as markets and business models develop.

03

Digital finance architecture

This section examines how regulatory maturity is moving beyond rulemaking towards the legal, operational and infrastructure connections needed for institutional scale. It considers how those connections shape transaction usability across markets and borders.

04

Global regulatory landscape

Jurisdictional profiles provide an overview of regulatory developments across major markets, including the EU, alongside perspectives from global standard-setters. Together, they highlight how approaches are developing, where they are converging and diverging, and the key issues for firms operating internationally.

Terminology used in the report

The terminology used in this report includes, but is not limited to, digital assets, cryptoassets, virtual assets, digital settlement assets, virtual currencies and cryptocurrencies. The terminology and spelling follow those adopted by the relevant authority.



The strength of a jurisdiction's regulatory landscape isn't about which has written the most rules, but which can enable the new world of finance to scale. Workarounds, exemptions, and tacit tolerance may help innovation get started, but they are unlikely to survive at scale. The winners won't be the jurisdictions that make exceptions for the future of finance, but those that design their regulatory architecture around it.

Matt Blumenfeld

Global/US Digital Assets Lead,
PwC US

Foreword

Consider a single transaction: a tokenized fund share, posted as collateral overnight, settled in a stablecoin on a Sunday, between counterparties in two jurisdictions. Each element is regulated somewhere. Whether the transaction works is a different question, and it is the one that will define crypto regulation in 2027.

Each phase of crypto regulation has answered its central question only to uncover a larger one beneath it.

From 2018 to 2022, we questioned the definition.

What is a crypto-asset, and where does the regulatory perimeter fall?

Enormous effort went into classifying payment and utility tokens, stablecoins, security tokens, and other digital assets. It mattered, because nothing else could proceed without it. It also turned out to be the smallest question we would face.

From 2022 to 2025, we questioned the intermediary.

Who can issue, who can support?

Once an asset had a name, someone had to decide who could handle it and which rulebook they belonged in: exchange, custodian, bank, payment company, or something that borrows from all four and fits none.

From 2025 to 2026, we questioned the regime.

Who supervises the system, not just the firm?

Licensing, supervision, enforcement, prudential treatment, and transparency moved from statute into practice. That exposed the limits of entity-based supervision. Regulators can see the licensed firm clearly and still not see the system it operates in.

Each phase rested on the same assumption: that crypto could be brought inside the financial system by dissecting and regulating its parts. That assumption is now being tested.

In 2027, we will question the architecture.

Can the core mechanisms of finance work when everything converges?

In the largest markets, digital money, tokenized assets, and new market infrastructure are individually well understood and increasingly well governed. What is new is the speed at which they are converging. Tokenized collateral is being tested by regulators and central banks, prediction markets are contested in courts, and agent-initiated money movement sits largely outside any regime, yet none sits cleanly within one regime, because no regime was built for their combination. The mechanisms at the core of the financial system (settlement finality, collateral treatment, disclosure, cross-border recognition) assume

intermediation, business hours, and national borders. Work across the industry is encouraging with settlement finality being achieved across several jurisdictions, though further technical, operational and contractual work is needed. Whether these mechanisms can support these activities at scale is unclear.

The question for readers is therefore not which jurisdictions have written the most rules, since foundational rulemaking in the major markets is largely done. It is which regulatory systems are best placed to support digital finance at scale, which will work together, and where gaps remain. Across Europe, Asia, the Gulf, and the Americas, jurisdictions have taken different routes, and the gaps appear where these routes meet.

Those gaps are rarely gaps in coverage. They appear where digital assets work only because something has been switched off, worked around, or quietly tolerated: pilot regimes that disapply existing rules, tokens that mirror a conventional register rather than replace it, supervisory positions that hold while volumes stay small. These are accommodations, not an architecture, and they are unlikely to survive scale.

For firms, the implication is practical. A licence count says little about whether a product works at scale. What matters is where an accommodation is carrying the weight and what happens on the day it is withdrawn. Firms that can map those dependencies early will be better placed to plan for it.

The following sections examine that architecture through three lenses: convergence between regulatory approaches, integration into mainstream financial markets, and interoperability across networks, institutions, and borders.

For most of the past decade, regulation has been catching up to crypto. That was the easier task. What comes next is a decision about the financial system itself, made incrementally through supervisory and legal choices that quietly reshape its architecture.

Matt Blumenfeld

Global & US Digital Assets Lead

PwC US



02

Global crypto trends for 2027

Global crypto regulatory trends for 2027

01

Digital money/tokenized money develops into a broader market architecture

Stablecoins are no longer developing in isolation. Tokenized deposits, central bank money and other tokenized cash instruments are creating a wider set of options for payments and settlement. Regulatory choices around issuance, access, backing, and interoperability will increasingly shape how these different forms of digital money coexist and where they can be used.

02

Tokenization puts financial market infrastructure under greater scrutiny

The use of tokenized securities, funds and collateral is expanding the regulatory questions beyond asset eligibility. Attention is increasingly focused on the infrastructure needed to support issuance, custody, transfer, and settlement at scale, including legal finality, settlement assets and integration with existing financial-market infrastructure.

03

Cross-border interoperability becomes more important as national regimes mature

Regulatory objectives are becoming more consistent, but firms still face material differences in licensing, classification, custody, and market access across jurisdictions. As more regimes become operational, mutual recognition, supervisory cooperation, and compatibility between national frameworks will become increasingly important to cross-border activity.

04

Tokenized equities are exposing how far apart access models remain across jurisdictions

Tokenized equities are moving beyond pilots, but their legal structures differ materially across markets. Some models represent the underlying security within existing securities infrastructure, while others provide a tokenized entitlement or economic exposure rather than direct shareholder ownership. As these models develop, differences in investor rights, disclosure, custody, transferability, market access, and cross-border distribution will become increasingly important.



Some of the biggest constraints on digital asset growth now sit outside the crypto rulebook. Custody, settlement, insolvency and cross-border recognition can all determine whether a product works in practice. For firms, that means assessing a market by tracing an actual transaction through it: who can do what, where the assets and money sit, how rights are protected, and what changes when another jurisdiction is involved.

Laura Talvitie

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Global crypto regulatory trends for 2027 (continued)

05

Supervision and enforcement become the measure of regulatory maturity

Many major jurisdictions now have crypto regimes in place. In 2027, greater attention will fall on how those regimes operate in practice, including authorisation standards, supervisory expectations, enforcement activity, and the treatment of firms operating across borders. Differences in regulatory outcomes may become more important than differences in the underlying rules.

06

Institutional participation brings digital assets into wider financial regulation

Banks, asset managers, payment firms, custodians and market infrastructures are playing a larger role in digital-asset markets. Their participation brings established requirements around capital, governance, conduct, outsourcing, resilience, and recovery into digital-asset activities, reducing the distinction between crypto regulation and wider financial-services regulation.

07

Autonomous financial activity raises harder questions about accountability

DeFi regulation remains unresolved in many markets, while smart contracts and AI-enabled agents are increasing the range of financial activity that can take place without a conventional intermediary. Regulators will increasingly need to determine where responsibility sits across developers, governance arrangements, infrastructure providers and automated systems.

08

Perpetual derivatives extend 24/7 trading to traditional assets

Perpetual contracts referencing equities, commodities, FX, and indices have grown rapidly on digital-asset venues, extending 24/7 leveraged trading beyond crypto-native assets. These products do not necessarily confer ownership of, or require custody of, the referenced asset. Their growth raises questions around derivatives regulation, investor protection, market integrity, and cross-border access as traditional asset exposures increasingly appear within crypto-native market structures.



2027 will be an important test of how digital asset regulation works in practice. As banks, asset managers and market infrastructure providers become more active, regulators will be looking increasingly at governance, resilience, market integrity and accountability. The next phase will be shaped as much by supervision and implementation as by new rules.

Dr Michael Huertas

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Crypto regulation at a glance

The table provides a summary of digital asset legislative, regulatory, and licensing status as of October 2026. For more information, see jurisdiction-specific pages.

	Licensing / Authorisation / Registration	Regulation of stablecoins / stablecoin issuance	Travel Rule
European Union	 In force	 In force	 In force
United States	 In force	 Legislation*	 In force
United Kingdom*	 In force	 Final rules	 In force
Argentina	 In force	 No formal proposal*	 In force
Australia	 Legislation	 Draft rules*	 In force
Bahamas	 In force	 In force	 In force
Bahrain	 In force	 In force	 In force
Brazil	 In force	 In force	 In force
Canada	 In force	 Legislation	 In force
Cayman Islands	 In force	 In force	 In force
CI – Guernsey	 In force	 In force	 In force
CI – Jersey	 In force	 In force	 In force
El Salvador	 In force	 In force	 In force
Gibraltar	 In force	 In force	 In force
Hong Kong SAR	 In force	 In force	 In force
India	 In force*	 No formal proposal	 In force
Israel	 In force	 Draft rules	 Final rules*

***United States:** Federal stablecoin legislation has been enacted, with the new framework expected to take effect in January 2027.

***United Kingdom:** The FCA opened its authorisation gateway in September 2026. From 25 October 2027, crypto firms will need full FCA authorisation instead of registration under the Money Laundering Regulations, and the new rules for qualifying stablecoins also take effect.

***Argentina:** Stablecoins may be serviced by regulated PSAVs, but virtual assets themselves are not generally regulated by the CNV unless they qualify as securities.

***Australia:** Although there are regulations in place applicable to stablecoin issuers, there is further legislation being finalised as part of the governments payment system modernisation, which remains in draft and consultation phase.

***India:** FIU-IND registration is a mandatory registration under the PMLA 2002 since March 2023 and is not a licence.

***Israel:** The broader AML Order has been in force since November 2021. However, the specific Travel Rule transmission requirement in section 7A(b)(2) is subject to a separate commencement mechanism and has not yet entered into force, pending implementing instructions.

	In force	Regulatory framework is in force and applies in practice
	Final rules/Legislation	Final rules have been published but are not yet in force, or primary/enabling legislation has been enacted and implementing rules are still being developed
	Draft rules	Consultation, draft legislation or draft rules have been published
	No formal proposal	No consultation, draft legislation or draft rules have been published. Policy discussions or regulatory engagement may be ongoing.

Crypto regulation at a glance (continued)

The table provides a summary of digital asset legislative, regulatory, and licensing status as of October 2026. For more information, see jurisdiction-specific pages.

	Licensing / Authorisation / Registration	Regulation of stablecoins / stablecoin issuance	Travel Rule
Japan	 In force	 In force	 In force
Jordan	 In force	 Draft rules	 Draft rules
Kenya	 In force	 In force	 In force
Korea (Republic of)	 In force	 Draft rules	 In force
Liechtenstein	 In force	 In force	 In force
Mauritius	 In force	 In force	 In force
Nigeria	 In force	 Draft rules	 In force
Norway	 In force	 In force	 In force
Oman	 In force	 No formal proposal	 In force
Qatar	 In force	 No formal proposal	 In force
Saudi Arabia	 Prohibited	 Prohibited	 Prohibited
Singapore	 In force	 Draft rules	 In force
South Africa	 In force	 Draft rules	 In force
Switzerland	 In force	 In force/draft rules*	 In force
Taiwan	 In force	 In force	 In force
Thailand	 In force	 Draft rules	 In force
Turkey	 In force	 No formal proposal*	 In force
Ukraine	 Draft rules	 Draft rules	 Draft rules
United Arab Emirates	 In force	 In force	 In force

***Switzerland:** Stablecoins are regulated under existing framework. Ongoing reform of the Financial Institutions Act (FinIA) would introduce two new licence categories, in particular payment instrument institutions (enabling stablecoin issuance).

***Turkey:** There is no standalone stablecoin issuer regime. Stablecoins fall within the general cryptoasset framework, while cryptoassets are prohibited for use in payments.

	In force	Regulatory framework is in force and applies in practice
	Final rules/Legislation	Final rules have been published but are not yet in force, or primary/enabling legislation has been enacted and implementing rules are still being developed
	Draft rules	Consultation, draft legislation or draft rules have been published
	No formal proposal	No consultation, draft legislation or draft rules have been published. Policy discussions or regulatory engagement may be ongoing.

03

Digital finance architecture

Regulating the architecture of digital finance



As crypto regulatory frameworks mature, the next stage of digital finance will depend increasingly on how they connect with the wider financial system. Institutional markets need money, assets, regulated firms and infrastructure to work together under enforceable rules. A licence can provide market access, but institutional scale also depends on reliable legal title, usable settlement money, collateral mobility and workable cross-border access.

The institutional question

Can an institutional transaction work end to end, from issuance and settlement through to collateral use, cross-border transfer and recovery?

This section examines the legal and operational connections that determine whether digital finance can operate at institutional scale.



Digital finance regulatory architecture framework



01

Convergence

Are regulatory outcomes compatible?

Similar requirements for licensing, reserves or custody are a starting point. Their scope, legal effect and supervisory application can still differ.



02

Integration

Can digital assets operate within the wider financial system?

Digital assets need to work within banking, securities, payments, collateral and insolvency frameworks, with access to suitable market infrastructure.



03

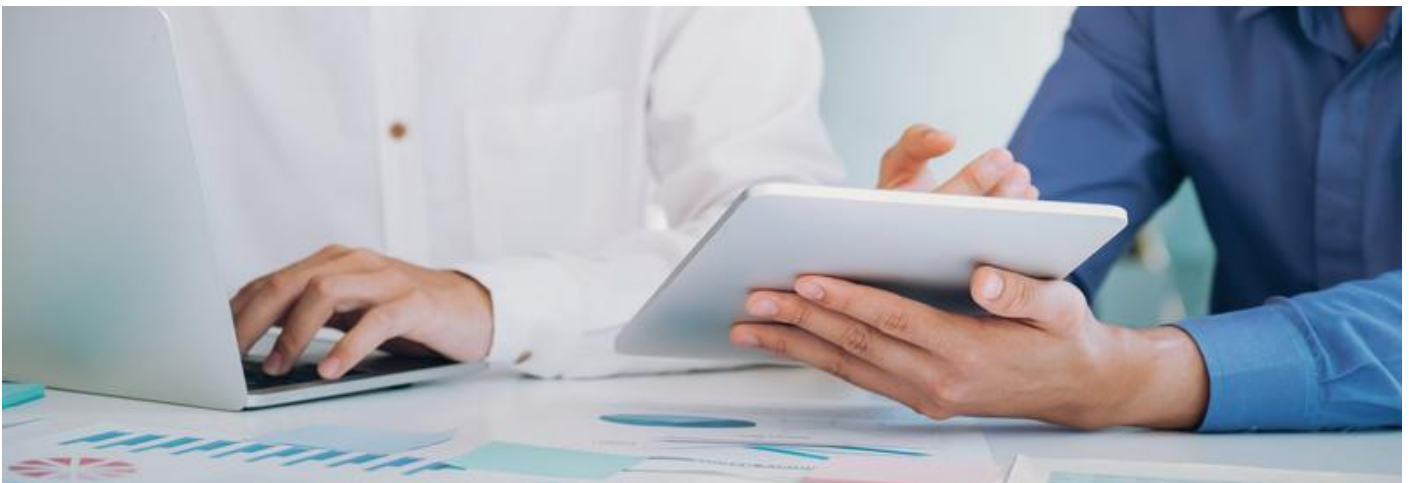
Interoperability

Do rights and controls remain effective across systems and borders?

Rights, money and controls must remain effective across firms, networks and borders. Technical interoperability alone does not establish legal interoperability.

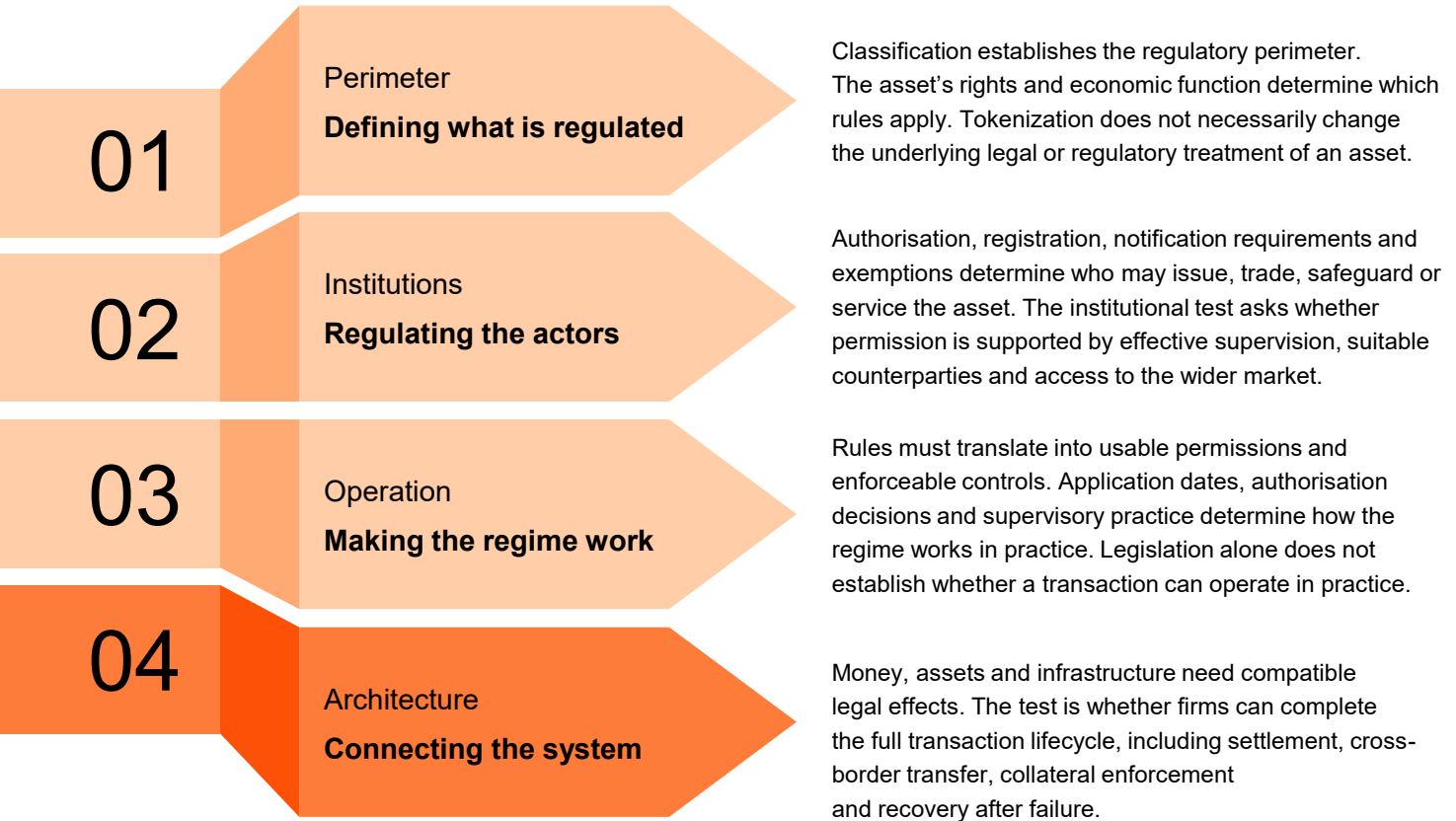
2027 proposition

Regulatory maturity increasingly depends on whether the financial system can support a transaction end to end.



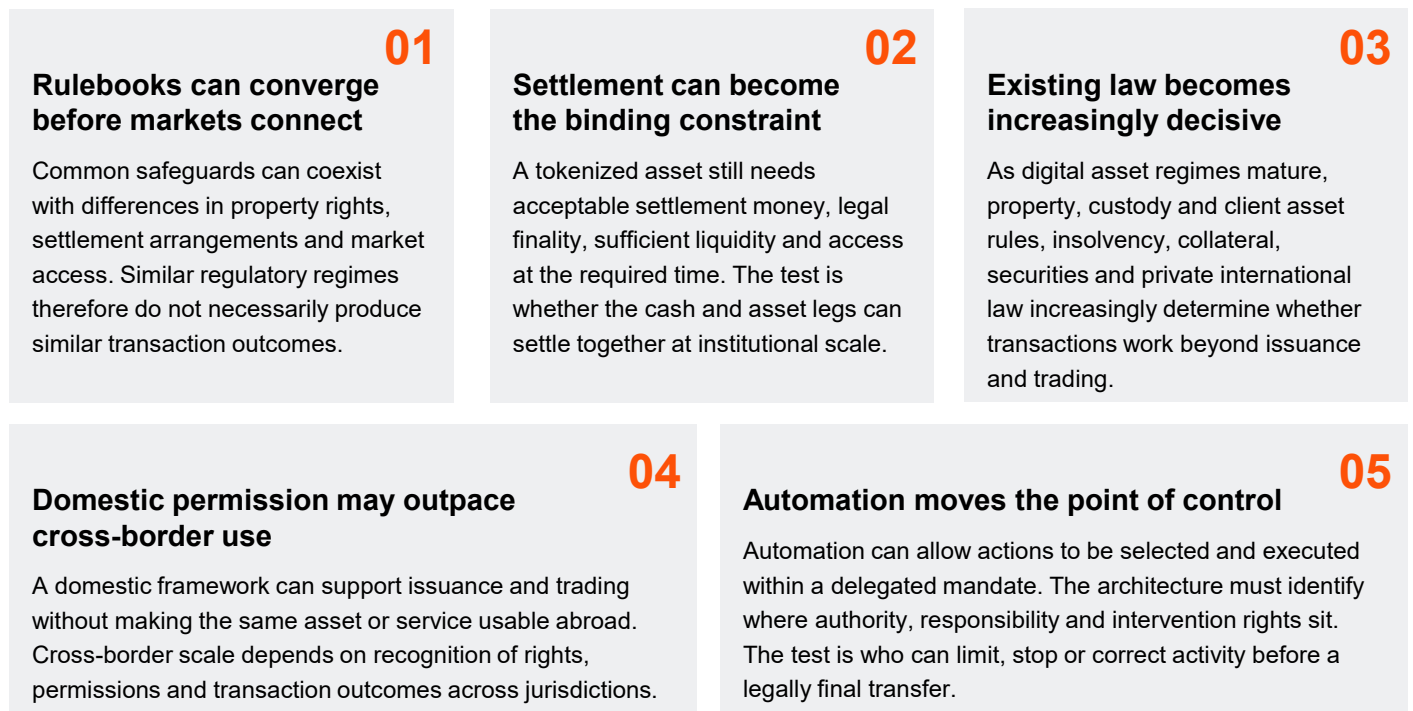
The institutional test of regulatory maturity

Four layers of regulatory maturity



These layers overlap. Jurisdictions and asset classes can show different levels of maturity across them depending on the transaction being tested.

Five propositions for 2027



Regulatory architecture debt

Three ways regulatory gaps shape commercial outcomes

Temporal arbitrage

Supervisory permissions, agency interpretations or charter routes can develop before the wider statutory framework settles. Early access may help a firm establish its position, while later legislation can change the conditions on which that position depends.

The question is how durable the permission is and what legal changes the business must absorb.

Implementation arbitrage

An enacted regime may allow time before its main obligations apply. Firms can use that period to secure permissions and build controls. The advantage depends on readiness at commencement and the treatment of activity during transition.

Jurisdictional arbitrage

Firms can choose between different permissions, requirements and supervisory approaches. That choice can reduce friction, but local advantages may disappear when activity crosses borders or relies on foreign infrastructure.

For institutional business, reliable banking access and enforceable rights can matter as much as the cost of entry.

A proposed analytical concept

Regulatory architecture debt

The accumulated cost and risk of leaving legal and operational connections unresolved as digital financial activity grows. It can arise even where each individual component has a credible regulatory framework.

How the debt accumulates

Where a pilot relies on a contractual bridge, special permission or manual process to work around a missing connection. Wider adoption may make the workaround harder to maintain. More counterparties depend on an arrangement whose legal effect may change at the next border, insolvency or system migration.

Latency, debt and interoperability

Regulatory latency is the time needed to establish a legal response to a new operating model. Architecture debt is the stock of unresolved dependencies that activity leaves behind. Interoperability is the ability to preserve legal and operational outcomes when a transaction crosses systems or borders.

A practical measure

Record each unresolved dependency, the affected transaction step, the workaround, its recurring cost and the trigger for failure. A missing source is an evidence gap. A demonstrated legal or operational barrier is an architecture gap.



The cost of unresolved connections

A cheap licence can leave an expensive operating model. Bespoke legal opinions, parallel registers, manual reconciliation and restricted counterparties can erode the gains from tokenization.

The relevant comparison is the cost of completing and sustaining the transaction, including failure and exit.

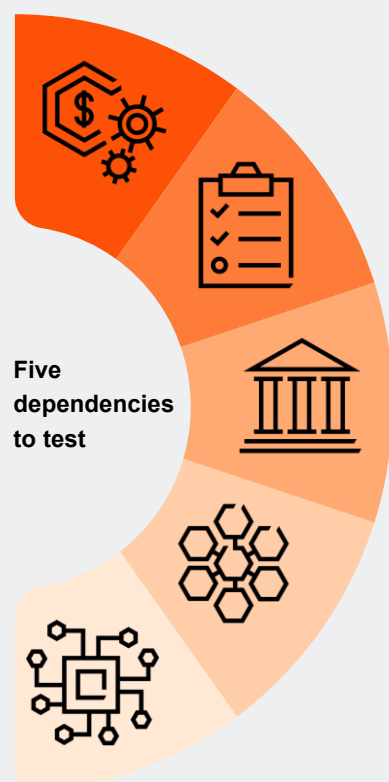


The institutional consequence

A framework creates value when its connections remain usable under stress.

This definition treats architecture debt as an analytical concept, not an accounting liability or a claim that every legal difference requires harmonisation.

Transaction stress tests



Digital money

The cash leg needs a defined claim, usable redemption and adequate liquidity. Stablecoins, tokenized deposits and central bank money involve different issuers, access conditions and protections.

Tokenized assets

The token may constitute the asset, represent a claim to it or record information. Identify the authoritative register, transfer rule and rights that survive an issuer or custodian insolvency.

Regulated institutions

Banks, funds, custodians and other intermediaries need permissions for their actual roles. Prudential treatment, asset segregation and outsourcing arrangements affect whether they can participate at scale.

Market infrastructure

Issuance, trading and settlement require compatible legal effects. Delivery versus payment must work under the applicable finality rules, with an operational route for failed transfers and default.

Technology and control

DLT networks, identity, oracles and AI agents determine how activity executes. Control over keys, admission, upgrades and emergency action must align with legal duties and recovery arrangements.

Four transaction stress tests

Transaction	Dependencies and decisive test
A Tokenized bond	A bank issues a digitally native bond. An investor buys it with tokenized bank money, then transfers it as collateral. Can the applicable law create and transfer the security? Does the cash leg settle finally? Are client assets appropriately segregated through the custody chain? Can the secured creditor's rights over the collateral be recognised and enforced across borders, including on insolvency?
B Tokenized MMF and repo	An institution acquires a tokenized money market fund unit and uses it in a repo or collateral arrangement. Can full title be transferred under the repo, or an enforceable security interest be created and perfected under a secured arrangement? Do the fund terms permit its use? Are eligibility, valuation, redemption timing and default close-out workable?
C Stablecoin payment	A regulated firm pays a foreign counterparty in a stablecoin, which the recipient redeems. Can both parties lawfully hold and use it? Who owes the redemption claim, in which currency and on what terms? What happens if an issuer, intermediary or payment route fails?
D AI treasury agent	An AI agent selects an FX, payment or securities transaction within a firm's delegated mandate. Who authorises the action, whose regulated activity is it and who bears liability? Can limits, sanctions checks and human intervention operate before the transaction becomes final?



Worked distinction: Representation and legal title

Two tokens can both sit within the securities perimeter while relying on different ownership records. One may itself constitute the security under applicable law. Another may represent a claim to an asset held elsewhere. The test is whether the intended transfer or collateral arrangement changes legally recognised rights, including on insolvency.

Digital finance architecture monitor

The Monitor compares usable transaction capabilities across seven dimensions: supervisory operability, institutional access, digital money, digital-native assets, FMI integration, property and finality, and cross-border interoperability.

Selected jurisdiction examples

Jurisdiction	Regulatory/market anchor	Transaction dependency to test	Evidence to monitor
EU	MiCAR authorisation/notification and passport for in-scope crypto-asset services; MiFID II/CSDR and the DLT Pilot Regime for tokenized financial instruments. Pontes launched in September 2026.	Do national title rules, cash access and foreign-market requirements preserve the intended result?	Usable DvP, eligible participants and legally robust transfers across systems.
US	GENIUS Act provides a statutory framework for payment stablecoins.	Which issuer, intermediary and foreign-issuer pathways apply, and can they support the chosen transaction end to end?	Effective implementing provisions, available permissions and evidence of operational use.
UK	Crypto application gateway open. New regime starts 25 October 2027.	Do permissions, commencement arrangements and operating controls support the transaction end to end?	Authorisation, commencement and operational availability evidenced separately.
Singapore	MAS tokenization guidance applies capital markets law and addresses ownership records.	Which record determines title? How do custody, transfer and finality operate in each structure?	Operational arrangements that implement the disclosed legal rights and controls.
Hong Kong SAR	Stablecoin issuer licensing and SFC standards for services in relevant stablecoins.	Do issuer redemption rights, intermediary obligations and settlement arrangements work together?	Licensed scope plus effective distribution, redemption and safeguarding arrangements.
UAE	CBUAE payment-token framework sits alongside distinct virtual-asset and free-zone regimes.	Which authority, territory, token and service does each permission cover?	A lawful route for the exact activity, including foreign-issuer and cross-zone conditions.
Japan	Rules on electronic payment instruments distinguish issuer structures and intermediary roles.	Which rights and permissions attach to the chosen token, issuer and distribution model?	Structure-specific issuance, transfer, custody and redemption capabilities.
Switzerland	DLT Act and FINMA-licensed DLT trading facility with a described link to SIC.	How far do domestic rights and settlement arrangements remain usable with foreign participants?	Evidence of legally effective transfers and settlement beyond the domestic use case.

How the monitor tracks change

Legal basis

Record the relevant rule, scope, application date and legal effect for each capability.

Operational use

Distinguish legal permission, pilot activity and routine availability to eligible institutional participants.

Cross-border outcome

Test whether the same rights and transaction outcomes remain effective across borders and record any remaining conditions.

The Monitor assesses transaction capability rather than ranking jurisdictions. Each observation records its source, date and confidence. Where evidence is unavailable, the capability is recorded as unverified rather than absent. Annual updates track where capabilities emerge and where dependencies remain.

Regulation by infrastructure

Five implications for regulation

National permission and foreign use

A licence answers a domestic entry question. Cross-border activity also depends on which entity performs each activity, where clients are served, and whether rights, permissions and transaction outcomes remain effective in other jurisdictions. Firms should identify where additional permissions, recognition or cooperation are required before activity crosses borders.

Institutional adoption and existing duties

Banks and funds bring existing prudential, custody, conduct and resilience obligations into tokenized markets. Product design must work within those duties rather than assume a digital asset framework replaces them.

Tokenized assets and settlement money

A workable cash leg needs access, liquidity and finality over the operating hours of the asset market. Firms should test whether the asset and cash legs can settle together under stressed conditions, including redemption and funding pressures.

Automation and accountable control

Automation can move where control sits. Firms should identify who controls admission, mandates, code changes and emergency intervention, and where legal responsibility sits when automated activity fails.

DLT and the infrastructure rulebook

DLT can change how issuance, transfer, custody and settlement functions are allocated. Regulation needs to attach rights, responsibilities and default procedures to those functions, rather than assume they remain with traditional intermediaries.

Regulation by infrastructure: where control sits

Infrastructure design can determine where practical control over market activity sits. Regulation therefore needs to address not only regulated entities, but also the systems through which transactions are executed, settled and recorded.



The central conclusion

As digital finance becomes more institutional, its ability to scale depends increasingly on the legal and operational architecture around the transaction.

Standalone crypto regimes remain important, but property, money, collateral, insolvency, market infrastructure and cross-border rules increasingly determine whether institutional transactions can work end to end.



A research agenda for 2027 and beyond

A repeatable transaction test Apply the same transaction test across assets and jurisdictions: permission, legal rights, settlement, cross-border use and failure or recovery. Record where the transaction works, where it relies on special arrangements and where barriers remain.

A proposition to test As dedicated digital asset regimes mature, constraints may increasingly sit in the connections between money, assets, institutions and infrastructure rather than in the absence of regulation itself.

An annual evidence base Track sources and changes by dimension. Annual updates can show where transaction capabilities are improving, where dependencies remain and where new constraints emerge.

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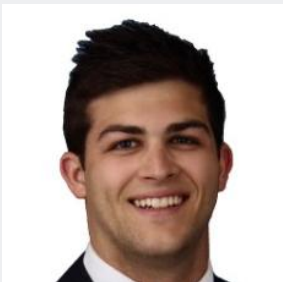
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Global regulatory developments



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Global digital asset standards: implementation, supervision and refinement

01 FSB: implementation of crypto asset and stablecoin frameworks remains a priority

The Financial Stability Board (FSB) continues to prioritise implementation of its 2023 global regulatory framework for cryptoasset activities and global stablecoin arrangements. Its 2025 thematic review identified gaps and inconsistencies in implementation across jurisdictions.

During 2026, the FSB continued to monitor links between cryptoassets, stablecoins and the wider financial system. In October 2026, it published further analysis of cross-border vulnerabilities in global stablecoin arrangements, including how risks can transmit across jurisdictions and gaps in data available for financial stability monitoring. The FSB has not materially revised its 2023 framework, with the focus remaining on implementation, monitoring and cross-border cooperation.

02 BCBS: prudential framework now in force, with targeted review underway

The Basel Committee on Banking Supervision (BCBS) prudential standard for banks' cryptoasset exposures became effective in January 2026. The framework distinguishes qualifying cryptoassets that meet specified classification conditions from higher-risk exposures subject to more conservative prudential treatment. It also sets specific treatment for tokenized traditional assets and qualifying stablecoins, alongside disclosure requirements for banks' cryptoasset exposures.

In 2026, BCBS progressed an expedited targeted review of elements of the standard in response to market developments. The review was endorsed by the Group of Central Bank Governors and Heads of Supervision in March, and BCBS expects to provide an update by the end of 2026. The outcome will inform subsequent implementation and policy development by national authorities.

03 FATF: Travel Rule adoption increases, but implementation and supervision lag

The Financial Action Task Force's (FATF) July 2026 targeted update found continued progress in implementation of its standards for virtual assets and virtual asset service providers. Eighty-three per cent of surveyed jurisdictions had passed Travel Rule legislation, up from 73% in 2025, with a further 11 jurisdictions reporting that implementation was underway.

However, FATF found that legislative progress had not consistently translated into effective implementation. Significant gaps remain in operationalising licensing and registration frameworks, identifying persons or entities conducting virtual asset service provider activities, and applying effective risk-based supervision and enforcement. FATF also highlighted increasing risks involving stablecoins, unhosted wallets, offshore virtual asset service providers and decentralised finance (DeFi).

In July 2026, FATF also published a dedicated report on DeFi, recommending a functional and risk-based approach to determining where control exists and applying the FATF Standards to qualifying DeFi arrangements.

04 2027 Outlook

- FSB work is expected to continue focusing on cross-border vulnerabilities in global stablecoin arrangements and implementation of its 2023 recommendations, including cross-border cooperation, information-sharing and financial stability monitoring.
- BCBS expects to provide an update by the end of 2026 on its targeted review of the prudential standard for banks' cryptoasset exposures, with any resulting changes shaping implementation in 2027.
- FATF is expected to continue focusing on effective implementation, including Travel Rule compliance, risk-based supervision and enforcement, and risks involving stablecoins, offshore virtual asset service providers, unhosted wallets and DeFi.
- BIS work is expected to continue examining the implications of stablecoins and tokenized money for the monetary system, including the roles of central bank money, commercial bank money and interoperability.

Sources

FSB: Global Stablecoin Arrangements: Cross-border Vulnerabilities and Financial Stability Monitoring, October 2026; FATF: Seventh Targeted Update on Virtual Assets and VASPs, July 2026; FATF: Regulatory Challenges from Decentralised Finance, July 2026; BIS: Anchoring Trust in Money: Innovation Beyond Stablecoins, June 2026; BCBS: Cryptoasset targeted review update, May 2026; FSB: 2025 FSB Annual Report, March 2026; BCBS: Governors and Heads of Supervision update, March 2026; FSB: Work Programme for 2026, February 2026; BCBS: Cryptoasset Exposures, Basel Framework, effective January 2026.

The EU's Single Market for Digital Assets



Background

By 2027, the European Union's digital-asset framework has entered a new regulatory and supervisory phase. MiCAR has applied in full since 30 December 2024 and is undergoing its first formal review. DORA is embedded in the supervisory framework for authorised crypto-asset service providers (CASPs), while DAC8 has applied since 1 January 2026 and the new Anti-Money Laundering Regulation (AMLR) applies from 10 July 2027.

The framework increasingly operates as an interconnected regulatory architecture. Firms must consider not only authorisation and conduct requirements under MiCAR, but also operational resilience, third-party dependencies, financial crime controls, tax transparency and the treatment of tokenized products under existing banking, securities and payments legislation.

MiCAR enters its next phase

MiCAR created the EU's harmonised framework for the issuance of crypto-assets and the provision of crypto-asset services. Its first formal review is now assessing whether the framework remains fit for purpose as digital-asset markets, products and business models continue to evolve.

The European Commission's review covers the existing MiCAR perimeter and the treatment of asset-referenced tokens (**ARTs**), e-money tokens (**EMTs**), CASPs and market conduct. It also examines areas including DeFi, staking, crypto-asset lending and borrowing, NFTs, prediction markets, perpetual products and the interaction between MiCAR and tokenized forms of traditional financial assets. The Commission's report under Article 140 MiCAR is due by 30 June 2027 and may be accompanied by legislative proposals.

Digital Operational Resilience Act (DORA)

DORA applies directly to authorised CASPs and places ICT governance, incident management, digital operational resilience testing and ICT third-party risk management within their ongoing regulatory obligations.

Supervisory attention is increasingly focused on how these requirements operate in practice. ESMA's Common Supervisory Action on CASP digital operational resilience examines custody activities, including governance, key and storage management, transaction controls, incident detection and response, smart-contract risk and third-party dependencies. The exercise runs from the second half of 2026 through the first half of 2027.

AMLR, AMLA and DAC8

The AMLR applies from 10 July 2027 and further harmonises EU anti-money laundering and counter-terrorist financing requirements, including requirements relevant to CASPs and transactions involving self-hosted addresses. AMLA will also select entities during 2027 for its first cohort of direct supervision beginning in 2028.

DAC8 has applied since 1 January 2026 and extends EU tax transparency to crypto-assets. The first reporting cycle covers 2026 transactions, with reporting and exchanges due during 2027.



The EU's Single Market for Digital Assets



The EU enters 2027 with MiCAR permissions operating alongside wider financial-services requirements. Two policy workstreams will shape the next stage: the review of MiCAR's substantive framework and the Market Integration and Supervision Package (MISP).

Background

MiCAR 2.0 Review

MiCAR created the EU's harmonised framework for the issuance of crypto-assets and the provision of crypto-asset services. Its first formal review is now assessing whether the framework remains fit for purpose as digital-asset markets, products and business models continue to evolve.

The European Commission's review, which closed on 30 September 2026, covers the existing MiCAR perimeter and the treatment of asset-referenced tokens (ARTs), e-money tokens (EMTs), CASPs and market conduct. It also examines areas including DeFi, staking, crypto-asset lending and borrowing, NFTs, prediction markets, perpetual products and the interaction between MiCAR and tokenized forms of traditional financial assets. The Commission's report under Article 140 MiCAR is due by 30 June 2027 and may be accompanied by legislative proposals.

The review also considers whether greater clarity is required around the regulatory perimeter and the interaction between MiCAR and existing financial-services legislation, including MiFID II, banking, payments and fund management frameworks.

Market Integration and Supervision Package (MISP)

The European Commission's MISP, published in December 2025, proposes further integration of EU financial-market supervision. For digital assets, the package includes changes affecting CASPs and the DLT Pilot Regime, including possible direct ESMA supervision of CASPs. These proposals remain subject to the EU legislative process.

Key MISP elements relevant to digital assets:

- The Commission proposes removing asset-specific limits and increasing the aggregate admission/recording ceiling to €100 billion, with a €150 billion transition trigger, subject to legislative negotiations.
- Conversion of the Settlement Finality Directive (SFD) to a directly applicable Settlement Finality Regulation (SFR)
- Targeted amendments to the Financial Collateral Directive (FCD) for DLT-recorded assets.
- CSDR modernisation with unbundling of the notary function.
- Possible changes to CASP supervisory architecture.

Supporting Regulatory Framework

DORA

DORA is embedded in the supervisory framework for authorised CASPs, placing ICT governance, incident management, resilience testing and third-party risk management within their ongoing regulatory obligations. ESMA's Common Supervisory Action on CASP digital operational resilience runs from the second half of 2026 through the first half of 2027.

AMLR/AMLA

The AMLR applies from 10 July 2027 and further harmonises AML/CFT requirements, including for transactions involving self-hosted addresses. AMLA will select entities during 2027 for direct supervision beginning in 2028.

DAC8

DAC8 has applied since 1 January 2026, with the first crypto-asset tax reporting cycle covering 2026 transactions due during 2027.

MiCAR 2.0 and MISP: Key Developments

MiCAR 2.0 Review

The European Commission launched its targeted consultation on the review of MiCAR (EU 2023/1114) on 20 May 2026. The consultation comprised 86 questions across four thematic parts. The review fulfils the mandates under Articles 140 and 142 MiCAR, in cooperation with EBA and ESMA, and may be accompanied by a legislative proposal. The Commission's report is due by 30 June 2027.

Market Integration and Supervision Package (MISP)

The European Commission published the MISP in December 2025, proposing further integration of EU financial-market supervision. The Council agreed key negotiating elements on 9 October 2026. For digital assets, the package directly affects CASPs, the DLT Pilot Regime and settlement infrastructure. These proposals remain subject to the EU legislative process.

86 questions across four thematic parts

01 Scope and Classification (Q1 to 8)

MiFID/MiCA boundary, white paper rules, marketing communications, liability regime.

02 Stablecoins: ARTs and EMTs (Q9 to 44)

Prudential regime, liquidity and reserves, significance criteria, interest and redemption rules, global/multi-issuance stablecoins.

03 CASPs (Q45 to 58)

Scope of services, prudential requirements, multi-function groups, reporting obligations, DORA/PSD3 interplay.

04 Beyond MiCAR Scope (Q59 to 86)

DeFi, staking/lending/borrowing, NFTs, prediction markets and perpetuals, tokenized deposits, legal treatment of tokens.

DLT Pilot Regime Expansion

- Regular-regime admission/recording ceiling of €100 billion, compared with €6 billion currently.
- Transition trigger of €150 billion, compared with €9 billion currently.
- Removal of asset-specific limits and the six-year expiry of permissions.

Settlement and Collateral

- SFD converted to directly applicable Settlement Finality Regulation (SFR)
- Targeted amendments to the FCD for DLT-recorded assets
- CSDR modernisation with unbundling of the notary function
- DLT register recognition harmonisation across Member States

Supervisory architecture

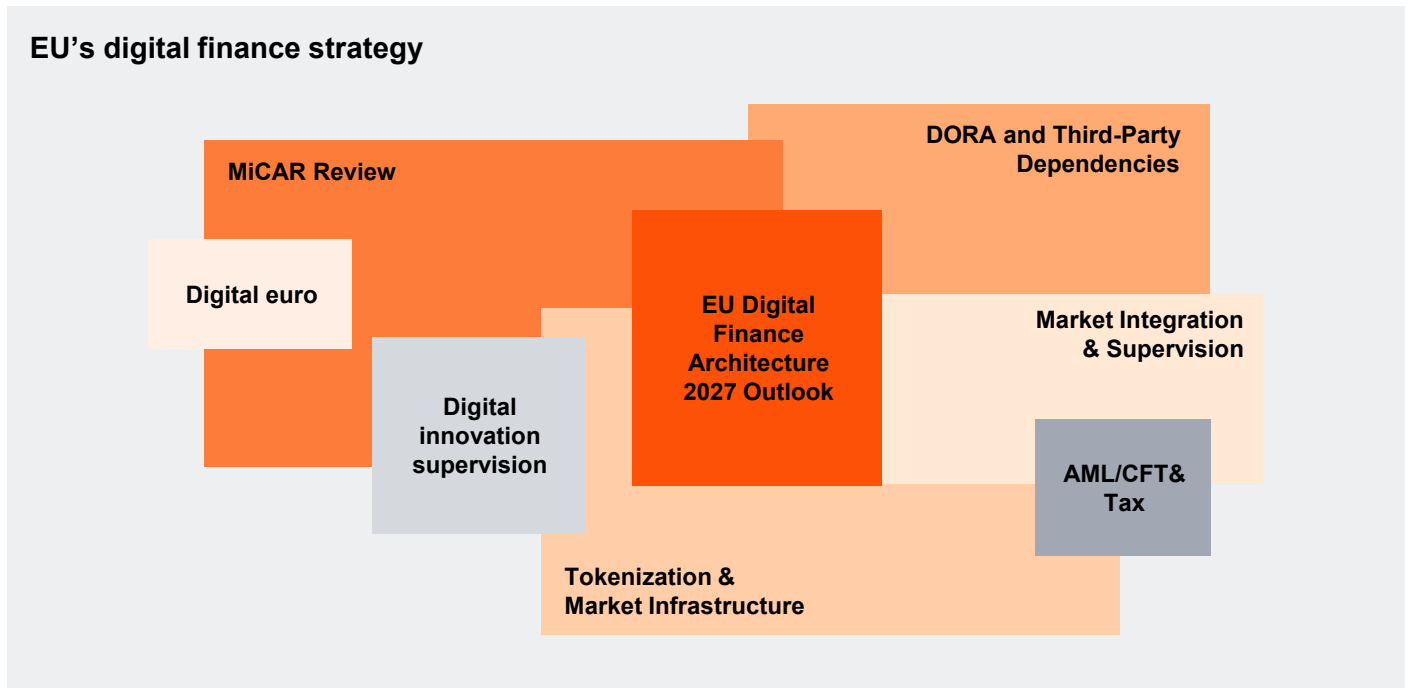
- Possible direct ESMA supervision of CASPs
- Greater EU-level integration of financial-market supervision
- Implications for cross-border CASP business models and governance



Key review themes

- Regulatory perimeter and classification clarity
- Stablecoin reserve composition, liquidity and multi-issuer arrangements
- Interaction between MiCAR and tokenized forms of traditional financial assets
- Emerging activities: DeFi, staking, crypto-asset lending, prediction markets, perpetual products
- EBA recommendation to regulate crypto-asset lending, including decentralised lending protocols

The EU's Digital Finance Architecture



MiCAR Review

The first formal MiCAR review examines the regulatory perimeter, classification of crypto-assets, stablecoins, CASP requirements, market conduct and emerging activities. The Commission's Article 140 report is due by 30 June 2027 and may result in legislative amendments.

DORA and Third-Party Dependencies

Operational resilience has moved from implementation into supervision. CASPs are increasingly expected to evidence effective ICT governance, custody resilience, incident response, third-party oversight and the ability to manage concentration and exit risk.

Tokenization and market infrastructure

The EU policy agenda increasingly connects crypto-assets with tokenized securities, tokenized deposits, distributed-ledger market infrastructure and central-bank money.

The Commission has proposed expanding the scope and duration of the DLT Pilot Regime.

Market Integration and Supervision Package (MISP)

MISP remains under negotiation. The Council's October 2026 position would immediately transfer supervision of the most significant cross-border CASPs to ESMA.

Digital Euro

The Eurosystem plans a 12-month digital euro pilot beginning in the second half of 2027. The ECB currently aims to be ready for a potential first issuance during 2029, subject to completion of the legislative process.

AML/CFT and tax transparency

AMLR applies from July 2027, AMLA prepares for direct supervision beginning in 2028, and DAC8 generates the first EU-wide crypto-asset tax reporting cycle during 2027.

Digital innovation supervision

From 2027, ESMA's new Digital Innovation Union Strategic Supervisory Priority (**USSP**) focuses initially on supervisory capability around artificial intelligence and tokenization. It operates alongside ESMA's existing cyber and operational-resilience USSP.

MiCAR: Product Classification and Emerging Activities

CASP services in scope

MiCAR regulates a defined range of crypto-asset services, including custody and administration, operation of trading platforms, exchange, execution, placing and transfer services, reception and transmission of orders, advice and portfolio management.

The 2027 review is increasingly focused on products and activities that do not fit neatly within those existing categories.

Staking

MiCAR does not establish staking as a standalone crypto-asset service. Depending on the operating model, however, staking may engage existing MiCAR obligations, including custody requirements where a CASP holds or controls clients' crypto-assets or their means of access.

Crypto-asset lending and borrowing

Crypto-asset lending and borrowing are not currently standalone MiCAR services. The Commission's review considers whether a dedicated framework is required. The EBA has recommended regulating crypto-asset lending, including activities involving access to decentralised lending protocols.

DeFi

The review also considers the regulatory treatment of decentralised finance and the interaction between regulated intermediaries and decentralised protocols.

Prediction markets and perpetual products

Growth in DLT-based prediction markets and perpetual products raises questions around their classification under MiCAR, MiFID II and other parts of the EU financial-services framework.

ARTs, EMTs and stablecoins

MiCAR establishes dedicated regimes for ARTs and EMTs. Tokens meeting the statutory criteria for significance are subject to enhanced requirements and greater EBA supervisory involvement.

The MiCAR review is considering issues including reserve composition, liquidity, multi-issuer arrangements and the interaction of stablecoins with payments and monetary systems. The EBA has identified multi-issuer stablecoin arrangements as a priority area for reform.

Tokenized deposits and securities

Tokenized deposits and tokenized financial instruments are not brought within MiCAR solely because they use distributed-ledger technology. They remain subject to the banking, securities and other rules applicable to the underlying product.

Staking, DeFi, NFTs, prediction markets and perpetual products require activity-by-activity analysis. Some models may sit outside MiCAR, while others may fall within existing EU financial-services rules or create market-integrity, consumer-protection and operational-resilience questions.

Asset-referenced token (ART)

A crypto-asset that purports to maintain a stable value by referencing another value or right, or a combination thereof, including one or more official currencies.

E-money token (EMT)

A crypto-asset that purports to maintain a stable value by referencing the value of one official currency.

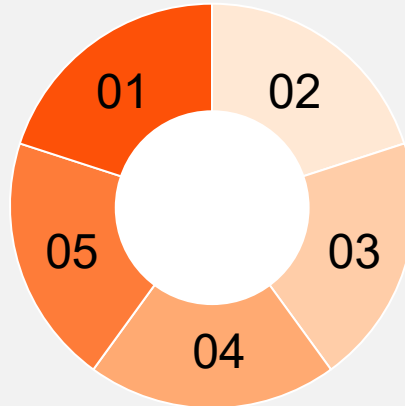
Other crypto-assets

Other crypto-assets within MiCAR include crypto-assets that do not qualify as ARTs or EMTs, including utility tokens.

DORA: Five Key Pillars and 2027 Supervisory Outlook

ICT risk management

Financial entities must maintain governance and control arrangements capable of identifying, managing and monitoring ICT risk. Management bodies retain responsibility for the ICT risk-management framework.



ICT-related incident management and reporting

Firms must detect, manage, classify and report major ICT-related incidents and maintain processes for effective response, recovery and communication.

Information sharing

DORA permits financial entities to share cyber-threat information and intelligence within specified safeguards.

ICT third-party risk

Firms must manage ICT third-party dependencies throughout their lifecycle, including due diligence, contractual requirements, subcontracting, concentration risk, monitoring and exit planning.

Digital operational resilience testing

DORA requires risk-based testing programmes designed to identify vulnerabilities, weaknesses and deficiencies and support timely remediation.

2027 supervisory outlook for CASPs

DORA supervision is becoming increasingly operational for CASPs. ESMA's 2026 to 2027 Common Supervisory Action focuses specifically on the digital operational resilience of custody activities, including key management, storage arrangements, transaction controls, incident response, smart-contract risks and third-party dependencies.

The ESAs' oversight framework for critical ICT third-party providers is also operational following the first designations in November 2025. Lead Overseers may assess governance, risk-management and resilience arrangements at providers whose services are critical to the EU financial sector.

EBA Guidelines on third-party risk management

On 18 September 2026, the EBA published its final Guidelines on the sound management of third-party risk related to non-ICT services (EBA/GL/2026/09). The Guidelines replace the EBA's 2019 outsourcing guidelines and shift the regulatory focus from outsourcing to the broader category of third-party arrangements.



Scope and key requirements

- Covers the full lifecycle of non-ICT third-party arrangements: risk assessment, due diligence, contracting, subcontracting, monitoring, documentation and exit strategies
- Focus on arrangements supporting critical or important functions, the disruption of which would materially impair performance
- Financial entities must maintain a holistic risk framework across ICT (DORA) and non-ICT (Guidelines) third-party risk
- Management bodies retain full responsibility; use of third parties must not result in "empty shell" entities
- Updated register of all in-scope third-party arrangements required, consistent with the DORA register of information
- Two-year transitional period supports implementation

DORA: Five Key Pillars and 2027 Supervisory Outlook (continued)

Addresses and MiCAR Interaction

- Apply to credit institutions, investment firms, payment institutions, e-money institutions and issuers of ARTs under MiCAR
- CASPs are not directly within scope as a class; their current framework is MiCAR Article 73 (outsourcing) plus DORA (ICT risk)
- EBA recommends that Article 73 MiCAR be updated from an 'outsourcing' framework to a broader "third-party risk management" approach
- A mandate could align non-ICT risk management expectations for CASPs with those for other financial institutions

Interaction with DORA

- ICT services remain under DORA; the Guidelines expressly exclude ICT risk and ICT third-party service providers
- Where a non-ICT arrangement also involves ICT services, the entity must determine whether the ICT component triggers DORA
- The Guidelines align with DORA to enable a holistic, joined-up third-party risk framework

For CASPs, the 2027 agenda increasingly extends beyond MiCAR compliance. The interaction between authorisation, operational resilience, third-party dependencies, financial crime controls and digital-market infrastructure is becoming central to both regulatory strategy and day-to-day supervision, reinforced from 2027 by ESMA's Digital Innovation USSP focusing on supervisory capability around AI and tokenization alongside the existing cyber and operational-resilience priority.

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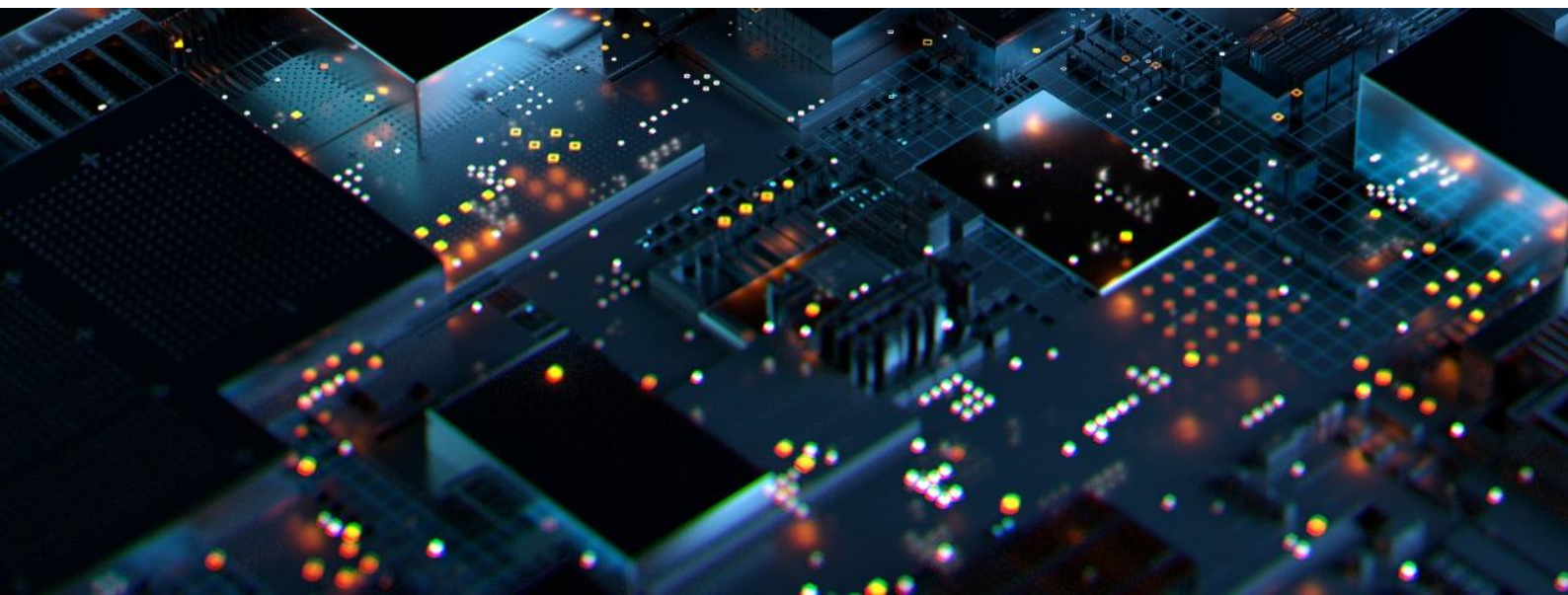
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United States



Regulatory strategy and roadmap

2026 marked the second year of a pronounced shift toward crypto innovation in both the executive and legislative branches, signalling a sharp pivot in the US's position on crypto markets. The White House's July 2025 Crypto Report helped set the policy agenda that has driven 2026 rulemaking. To solidify financial innovation and concentration in US markets, the Report pledged to end regulation by enforcement, establish a coordinated SEC and CFTC market structure framework, implement the GENIUS Act swiftly, and open bank charters and Fed master accounts to digital asset firms. We're three quarters through 2026, and significant progress has been made on these commitments.

With directional alignment established at the agency level, priorities have moved from legislative design toward implementation. The GENIUS Act (which goes live in January 2027) required federal regulators to finalise implementing rules within one year of its passing (2025), a deadline that lapsed on 18 July 2026. The CLARITY Act, a complementary and highly contested legislative bill, would have provided the regulatory framework for digital asset market structure. It remains stalled in the Senate after failing to advance on a procedural vote in September 2026. In the absence of its passing, attention has shifted to the SEC and CFTC to continue using existing statutory authority to provide greater regulatory clarity. In March 2026, the SEC and the CFTC issued an interpretive release establishing a taxonomy for crypto assets and clarifying how federal securities laws apply to certain crypto assets and transactions. In August, the SEC proposed Regulation Crypto Assets, which would create tailored securities-registration exemptions and a conditional safe harbour for certain crypto-related investment contracts. Two days later, the CFTC announced that staff had been directed to explore crypto market-structure rules under the CFTC's existing authority if congressional legislation



Regulatory perimeter and authorisation

US regulators have shifted toward greater industry engagement, increasingly using collaborative working sessions and alternative tools in place of enforcement. In 2026, that shift became evident across most dimensions of digital asset regulation.

- The GENIUS Act continues to provide the regulatory framework for registration and oversight of "payment stablecoins" and permitted issuers.
- The SEC-CFTC joint interpretive release (March 2026) outlined a coordinated framework for assessing when digital assets fall within the definition of a security. The release clarifies how the Howey test applies and introduces a five-category token taxonomy while also explicitly designating Ether, Solana, and XRP as digital commodities rather than presumptive securities.
- The SEC's Regulation Crypto Assets creates two new Securities Act registration exemptions plus a conditional safe harbor from investment contract status once an issuer has completed its managerial efforts. Comments closed on October 20th.
- The OCC finalised rulemaking that confirmed national trust banks may conduct non-fiduciary custody activities, providing regulatory clarity for GENIUS Act stablecoin issuers.
- As of September 2026, the OCC has received 40 de novo bank charter applications, with more than half involving digital asset activity. The OCC is continuing to approve both national trust bank and full-service national bank charters supporting digital asset business models, marking the largest wave of federal charter approvals for institutions conducting digital asset activity since 2021.
- The NYDFS remains the most active state regulator. Its BitLicense framework and trust charter regime offer a state-level pathway for digital asset firms, and, as of June 2026, for GENIUS-compliant payment stablecoin issuers.

United States (Continued)



Conduct, prudential and market regulation

- State money transmission licenses remain paramount for fiat on/off ramps and remittance services where federal preemption does not fully apply.
- The CFTC granted three crypto institutions full derivatives clearinghouse licenses.
- The Federal Reserve announced a proposal for tailored master accounts for payments firms, including certain crypto firms, enabling direct access to Fed payment and settlement infrastructure without bank partnerships. Comments closed at the end of July 2026.

The US does not currently have a single unified conduct regime for all digital asset firms. Instead, rules flow from the regulatory classification of the firm and its activities, with banks, broker-dealers, registered investment advisers, stablecoin issuers, and money transmitters each subject to different prudential and conduct frameworks administered by their respective regulators.

Consistently, regulators expect firms engaged in digital asset activities to demonstrate board-level oversight of risk appetite, documented policies and procedures, and active monitoring of key risk indicators. Third-party risk management has emerged as a specific examination focus, given the extent to which digital asset firms rely on external infrastructure providers, custodians, and technology vendors.

For stablecoin issuers, the GENIUS Act established capital and liquidity requirements tailored to each issuer's business model and risk profile, including reserve asset diversification and interest rate risk management standards. It also includes maintenance of 1:1 reserves in high-quality liquid assets (HQLA), monthly disclosures and reserve reports, AML and sanctions requirements, and segregation and anti-rehypothecation requirements. Payment stablecoins are explicitly not deposit-insured.

GENIUS Act issuers are also subject to AML and sanctions requirements equivalent to those applied to banks. FinCEN, alongside the OCC, Fed, and FDIC, proposed joint rules in 2026 implementing GENIUS Act customer identification requirements.

Separately, SEC staff no-action relief permits registered investment advisers and regulated funds, subject to specified conditions, to use qualifying state trust companies for crypto asset custody, including requirements around due diligence, risk disclosure and client or fund best-interest determinations.

Anti-fraud and anti-manipulation authority remains divided between the SEC and CFTC based on the asset, transaction, and market involved. The agencies are pursuing greater regulatory coordination under their March 2026 MOU, including work on jurisdictional boundaries for digital assets. Issues such as conflicts of interest, listing standards and leveraged retail digital-asset activity remain areas of regulatory focus.

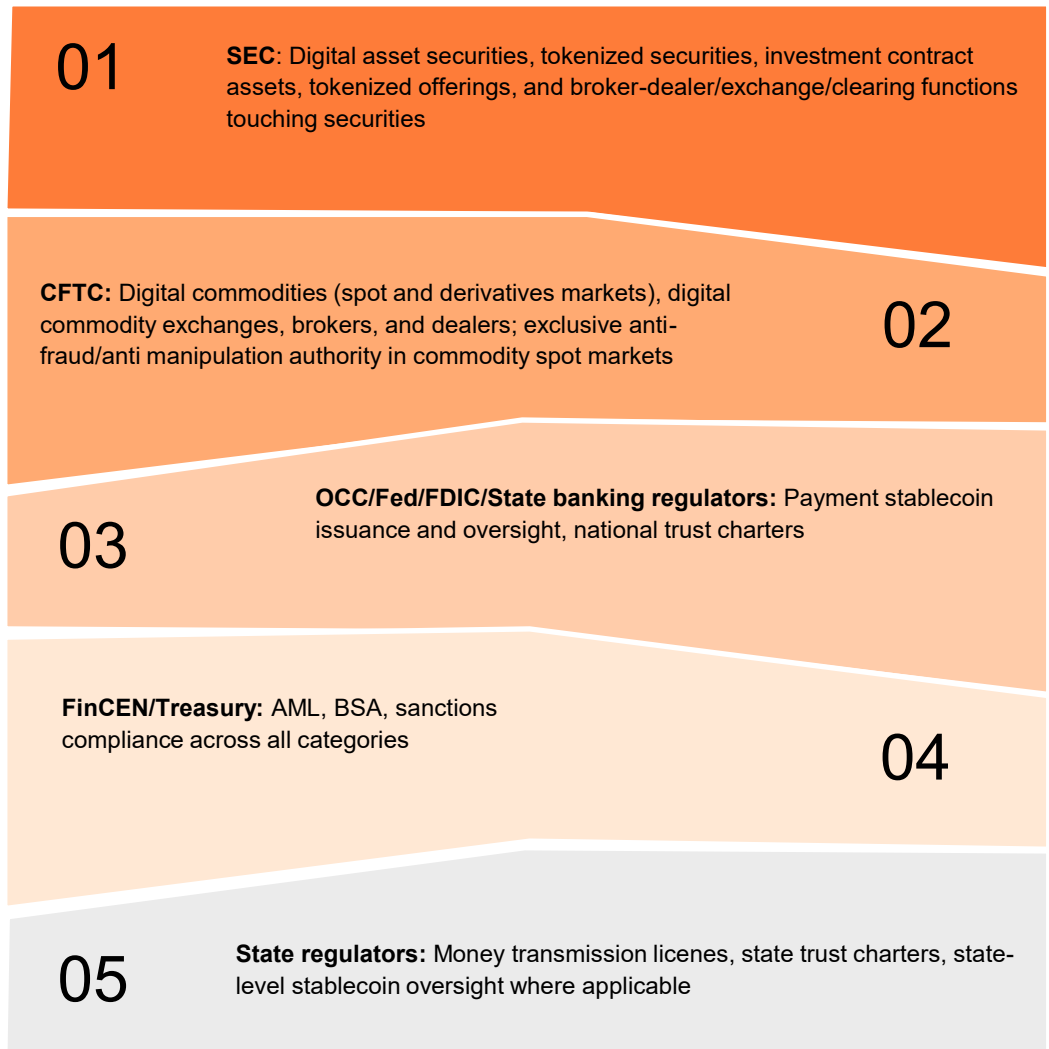
Examination focus for firms involved in digital asset related activities is expected to concentrate on governance documentation, third-party risk controls, reserve adequacy, and customer asset protection. The SEC's Project Crypto roundtable series has previewed near-term priorities including onchain settlement mechanics for broker-dealers, innovation exemption parameters, and privacy-preserving compliance models. For stablecoin issuers specifically, the first examination cycle under the GENIUS Act framework will likely set the de facto standard for what "adequate" implementation looks like in practice.

Prediction markets:

The federal circuit courts are split on whether the CFTC has exclusive jurisdiction over sports-related prediction contracts (as the CFTC currently claims) or if the states should regulate them under local gambling laws. The Third Circuit sided with the CFTC in April 2026, holding that sports event contracts are "swaps" under the CEA and that federal law preempts state gambling laws. The Ninth Circuit (August 2026) and Sixth Circuit (September 2026) both ruled the opposite way.

United States (Continued)

Regulatory jurisdiction by asset type



Digital money

From a US regulatory standpoint, “digital money” currently spans two distinct tracks. **(1) Payment Stablecoins**, defined in the GENIUS Act (July 2025), have moved toward a dedicated federal framework to establish reserve, redemption, oversight and supervisory pathways for issuers. In 2026, the implemented rulemaking has accelerated rapidly. The OCC led the way, issuing the Notice of Proposed Rulemaking (NPR) in February 2026, which addressed nearly all prudential requirements under the Act, including standards for becoming a Permitted Payment Stablecoin Issuer (PPSI), reserve and liquidity requirements, and a supervisory framework for foreign issuers. These rules were finalised and released in October 2026. Notably, the final rule maintains a technical ban on direct PPSI yield payments but drops the presumption that third-party rewards programmes violate the law. In April 2026, the FDIC proposed its own NPR implementing GENIUS Act requirements for FDIC-supervised institutions, followed by Treasury issuing their NPR which outlined criteria for determining whether state regulatory frameworks are substantially similar to federal standards. In May, the NCUA proposed operational and risk management standards for NCUA-licensed PPSIs, and in September, the Fed proposed their rules for PPSIs covering reserve and capital requirements, as well as the application process for banks seeking to issue stablecoins.

United States (Continued)

In parallel, New York continues to operate the most developed state regime (Department of Financial Services [DFS] 2022 guidance on 1:1 reserves, daily redemption, and monthly attestations for USD-backed stablecoins). In June 2026, DFS proposed a new regulation to harmonise its longstanding stablecoin framework with GENIUS Act federal requirements, adding reserve custody concentration limits and enhanced risk management programme requirements while retaining its existing backing, redemption, and audit standards. The final regulation will take effect when the GENIUS Act becomes effective in January 2027, with a one-year transition period for existing New York-licensed issuers. DFS is actively pursuing federal certification to allow eligible issuers to remain under state supervision rather than migrating to a federal regime.

Additionally, in March 2026, California opened its Digital Financial Assets Law (DFAL) licensing window, with entities engaging in digital financial asset business activity with California residents required to submit applications by July 1, 2026, unless exempt.

(2) Tokenized deposits, or bank liabilities recorded on distributed ledgers, remain governed by existing banking law rather than bespoke “crypto” statutes, and the regulatory posture toward bank participation in digital asset activities has shifted decisively from caution to affirmative permission.

Examination focus for firms involved in digital asset related activities is expected to concentrate on governance documentation, third-party risk controls, reserve adequacy, and customer asset protection. The SEC's Project Crypto roundtable series has previewed near-term priorities including onchain settlement mechanics for broker-dealers, innovation exemption parameters, and privacy-preserving compliance models. For stablecoin issuers specifically, the first examination cycle under the GENIUS Act framework will likely set the de facto standard for what “adequate” implementation looks like in practice.



Tokenization and digital capital markets

The regulatory foundation for tokenized securities and onchain capital markets advanced significantly in 2026. Building on prior no-action relief, the SEC enabled a tokenized securities pilot and approved a framework for eligible securities to trade in tokenized form. In September, the SEC also proposed modernised transfer-agent rules expressly addressing blockchain-based recordkeeping and the transfer of securities.

Following the Senate's failure to advance the CLARITY Act (15 September), the SEC took a further step on 17 September by issuing a temporary Innovation Exemption permitting qualifying venues to trade certain tokenized NMS stocks using permissioned onchain liquidity pools. The relief allows both issuer-sponsored and certain third-party tokenized stocks, provided holders receive the same rights and privileges as holders of the underlying shares, and is intended as an interim framework while the SEC considers more durable rulemaking.

The CFTC has moved in parallel to integrate digital assets into US derivatives-market infrastructure, including initiatives involving spot digital-asset trading and tokenized collateral. Together, these actions indicate a shift from defining how existing law applies to digital assets toward establishing practical pathways for tokenized securities, collateral and trading infrastructure within regulated US markets.

United States (Continued)



Implementation and outlook

- The GENIUS Act's expected January 2027 effective date is accelerating federal implementation and state alignment efforts
- An industry-led tokenization initiative moved into limited production in 2026, providing an early real-world test of tokenized settlement infrastructure
- The SEC's September 2026 Innovation Exemption created a temporary pathway for onchain trading of certain tokenized US equities while the Commission considers more durable rulemaking.
- While passage of the CLARITY Act is still technically possible, its odds have fallen sharply after the Senate's failed cloture vote in September. Expect continuation of new SEC and CFTC guidance, FAQs, and no-action relief to fill the regulatory gap in the interim.
- Digital-asset firms are increasingly pursuing OCC charters. In August 2026, the OCC reported that 23 of 40 new-bank charter applications involved digital-asset activity. GENIUS may reinforce demand for regulated issuer structures while preserving federal and qualifying state pathways.

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United Kingdom



Regulatory strategy and roadmap



Regulatory perimeter and authorisation

The regulators in the UK have moved from policy development to implementing an integrated framework for cryptoassets, digital money and tokenized financial markets. The Financial Conduct Authority (FCA) authorisation gateway is now open ahead of the new regime taking effect in October 2027.

The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 establish the new regulatory perimeter, alongside FCA rules and guidance. HM Treasury (HMT), the Bank of England (BoE) and the Prudential Regulation Authority (PRA) are also progressing work on payments, stablecoins, tokenized deposits, central bank money and tokenized capital markets.

The policy focus is increasingly on how these elements connect across the wider financial system, including settlement, custody and market infrastructure. The Government has also proposed extending the BoE's secondary innovation objective to systemic payment systems, including those using digital settlement assets, reinforcing the UK's focus on both innovation and financial stability.

The new regime sits within the Financial Services and Markets Act 2000 (FSMA) architecture and is intended to be technology neutral, with regulatory treatment determined by the legal and economic characteristics of an asset rather than the technology used to record or transfer it.

The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 bring specified activities within the FCA remit, including dealing in and arranging transactions in qualifying cryptoassets, operating cryptoasset trading platforms, safeguarding qualifying cryptoassets, issuing qualifying stablecoins and arranging qualifying cryptoasset staking. They also provide the legislative basis for applying the Designated Activities Regime (DAR) to areas including public offers, admissions to trading, disclosures and market abuse.

The FCA published the core rules for the regime in June 2026 and final perimeter guidance in September 2026. In September 2026, HMT also laid amendments to the Cryptoassets Regulations that would exclude certain transfers and exchanges of UK qualifying stablecoins from the new dealing and arranging activities, while lending and borrowing involving those stablecoins would remain within scope.

The FCA's application period for firms seeking to rely on the transitional arrangements opened on 30 September 2026 and closes on 28 February 2027. Firms already authorised under FSMA that intend to undertake regulated cryptoasset activities will need to apply for a variation of permission where those activities are not covered by their existing permissions. Firms registered under the Money Laundering Regulations 2017 will need FCA authorisation where their activities fall within the new FSMA perimeter. This represents a significant shift from anti-money laundering registration to full financial services regulation.

The framework distinguishes qualifying cryptoassets from specified investment cryptoassets, which include cryptoassets whose legal and economic substance falls within existing specified investment categories such as shares, debt instruments, units, derivatives and deposits. These generally remain subject to the existing regulatory framework applicable to the underlying investment. For safeguarding purposes, specified investment cryptoassets that are securities or contractually based investments are termed Relevant Specified Investment Cryptoassets (RSICs) and fall within the new cryptoasset safeguarding activity. The FCA plans to consult in the first half of 2027 on how the Client Assets Sourcebook (CASS) should apply to RSIC safeguarding.

The legislative framework also extends to the legal status of digital assets. The Property (Digital Assets etc.) Act 2025 came into force on 2 December 2025 and applies in England and Wales, and Northern Ireland. It confirms that a digital or electronic thing is not prevented from being an object of personal property rights merely because it falls outside the traditional categories of things in possession and things in action. The Act removes a categorical obstacle to recognising property rights in digital assets, while questions of ownership, transfer and treatment on insolvency continue to depend on the applicable law and circumstances.

United Kingdom (continued)



Conduct, prudential and market regulation

Under the new regime, authorised cryptoasset firms will be subject to requirements covering governance, financial and operational resilience, safeguarding, financial crime, outsourcing and wind-down planning. Wider FCA standards, including the Consumer Duty, will also apply where relevant, creating a more consistent regulatory baseline across financial services.

The regime introduces a dedicated market framework for cryptoassets, including requirements covering admission to trading, disclosures and ongoing market surveillance. Trading platforms will have responsibilities in relation to admission standards and market integrity, while the wider framework establishes disclosure requirements for qualifying cryptoassets offered to the public or admitted to trading. It also introduces rules addressing insider dealing, unlawful disclosure of inside information and market manipulation. These measures extend established market integrity principles to cryptoasset markets while recognising differences from traditional securities markets.

Custody is another significant area of reform. Firms safeguarding cryptoassets will be required to maintain robust governance arrangements, accurate records, effective reconciliation processes and appropriate controls over third-party providers. The rules establish requirements around trust, segregation and record-keeping so that client cryptoassets can be identified and protected, including where third-party custodians are used. These requirements strengthen customer protection while supporting greater institutional participation.

The FCA has also finalised a dedicated prudential framework for cryptoasset firms through COREPRU and CRYPTOPRU. The framework requires firms to maintain financial resources proportionate to their activities and risks, alongside appropriate systems for identifying and managing potential stress. In September 2026, the FCA finalised supporting guidance on the overall risk assessment, covering risk identification, stress testing, recovery actions and wind-down planning. This gives firms greater detail on the prudential expectations that will apply under the new regime.

In May 2026, the PRA published two Dear CEO letters setting out its expectations for banks' use of cryptoassets, tokenized assets and digital money. The PRA confirmed its technology-neutral approach, with tokenized traditional assets generally receiving the same prudential treatment as their non-tokenized equivalents where the legal rights conferred are identical and the underlying risks are comparable. Firms are nevertheless expected to identify and manage additional operational, legal, settlement and third-party risks arising from tokenization.

The PRA also clarified its expectations for different forms of digital money. Tokenized deposits can remain liabilities of deposit-taking institutions and continue to sit within the existing banking framework. Where deposit-takers or their groups issue retail electronic money or stablecoins, the PRA expects these activities to sit in separate non-deposit-taking, insolvency-remote entities with distinct branding. It has also emphasised clear product design and customer communications so that customers understand the legal nature of the product and the protections available. Firms considering wholesale-only stablecoin arrangements are expected to engage with supervisors early, with the PRA indicating that a proportionate approach may be appropriate depending on the structure and users involved.

The PRA expects to consult on its future prudential framework for cryptoasset exposures in 2028 at the earliest, following the Basel Committee on Banking Supervision's targeted review of its cryptoasset standard. In the meantime, firms are expected to continue applying existing supervisory expectations and engage with the PRA on proposed activities.

Together, the FCA and PRA work has moved the UK from high-level policy towards detailed conduct, market and prudential requirements grounded in the UK's principles-based approach to regulation. Firms can now develop governance, risk management and operating models against a much clearer framework ahead of the new regime taking effect in October 2027.

In October 2026, the FCA consulted on decentralised finance (DeFi). The proposals provide greater clarity, but firms using decentralised models will need to assess their activities on their substance and maintain controls comparable to those in traditional finance.

United Kingdom (continued)



Digital money

The UK has significantly advanced its framework for digital money, extending beyond stablecoins to tokenized deposits, wholesale settlement assets and the interaction between different forms of money used across payments and tokenized financial markets.

Following draft amendments published in April 2026, HMT laid legislation before Parliament in September 2026 to remove barriers to stablecoin payment services. In July 2026, HMT also consulted on wider reforms to payment services regulation, including the treatment of stablecoins and tokenized deposits in payments.

In June 2026, the BoE published its policy statement and draft Code of Practice for systemic stablecoins. The framework covers reserve assets, governance, liquidity risk management, operational resilience, safeguarding and redemption. The FCA will regulate the issuance of qualifying stablecoins in the UK, while issuers recognised as systemic by HMT will be jointly regulated by the FCA and BoE.

The PRA has reinforced the distinction between tokenized deposits, stablecoins and electronic money. Tokenized deposits remain liabilities of deposit-taking institutions and continue to sit within the existing banking framework. The PRA has also distinguished between retail and wholesale stablecoin use cases.

The BoE and HMT continue to assess a potential digital pound, although no decision has been taken to introduce a retail central bank digital currency. For wholesale markets, the BoE is developing a synchronisation service targeted for 2028, enabling transfers in central bank money to synchronise with transactions recorded on external asset ledgers. The BoE is also extending real-time gross settlement (RTGS) and Clearing House Automated Payment System (CHAPS) settlement hours, with CHAPS opening at 01:30 from September 2027 and further steps towards near 24/7 settlement under consideration.

Industry initiatives are also testing how tokenized commercial bank money can operate across shared infrastructure, supporting programmable payments, settlement of tokenized assets and interoperability between financial institutions. Progress will depend on common technical standards, regulatory clarity and compatibility with existing payment systems.

Together, these developments are creating a clearer architecture for stablecoins, tokenized deposits and central bank money within the UK financial system. The focus is increasingly on whether these forms of money can work together to support regulated payments and tokenized financial markets.



Tokenization and digital capital markets

Tokenization has become a central part of the UK's strategy for modernising wholesale financial markets. The focus has expanded beyond individual use cases towards the legal, regulatory and market infrastructure needed to support tokenized markets at scale.

In September 2026, the FCA published a feedback statement to the joint FCA-BoE Call for Input on wholesale tokenization. Respondents identified post-trade activity, particularly collateral mobility, as a key opportunity. The authorities plan to publish a cross-authority roadmap with target dates later in 2026. The FCA also launched a call for input on tokenized gold, including its potential use as wholesale collateral and the regulatory treatment of tokenized gold products.

The Digital Securities Sandbox (DSS) provides a live regulated environment for testing and operating tokenized market infrastructure. It allows firms to operate trading venues and securities settlement systems under temporarily modified legislation, enabling the authorities to assess how the regulatory framework should evolve before permanent changes are made.

United Kingdom (continued)

The DSS moved into live activity in July 2026 and, by September, two participants had received approval to provide live digital securities depository services. In October 2026, the Government appointed six Joint Lead Managers for the pilot Digital Gilt Instrument (DIGIT), which is expected to be issued in Q1 2027 on infrastructure operating within the DSS. DSS firms can also apply to use eligible stablecoins that meet the BoE's minimum requirements as settlement assets, allowing their use for wholesale securities settlement to be tested.

In April 2026, the FCA finalised its framework for tokenized authorised funds. The framework permits distributed ledger technology to form part of the primary register and introduces an optional direct-to-fund dealing model, removing legal and operational barriers to fund tokenization while maintaining existing investor protections.

In July 2026, the Wholesale Digital Markets Champion published recommendations to accelerate the development of tokenized wholesale markets. Repo, fixed income and uncleared over-the-counter (OTC) derivatives were identified as priority use cases, with DIGIT and tokenized collateral supporting their development. The recommendations also emphasised a clearer pathway from regulatory testing to commercial deployment and greater interoperability across market infrastructure.

International cooperation is developing in parallel. In July 2026, the UK and US published recommendations from the Transatlantic Taskforce for Markets of the Future, covering cross-border tokenization use cases, interoperability, regulatory cooperation and work towards compatible approaches for tokenized assets. Progress will be taken forward through the UK-US Financial Regulatory Working Group.

The UK's approach now extends well beyond the tokenization of individual assets. Policy is increasingly focused on connecting market infrastructure, settlement assets and legal and regulatory frameworks so that tokenized markets can operate at institutional scale.



United Kingdom (continued)



Implementation and outlook

Key developments expected over the coming year include:

- The FCA application period for firms seeking transitional protection remains open until 28 February 2027, ahead of the regime taking effect on 25 October 2027.
- Further FCA perimeter guidance in early 2027 following the September legislative amendments, alongside consultation on safeguarding rules for RSICs in the first half of 2027 and further guidance on DeFi, including how firms should apply existing operational resilience and financial crime requirements when using decentralised models.
- Finalisation of the BoE Code of Practice for systemic stablecoins by the end of 2026, followed by further supporting guidance and development of the framework for systemic payment systems in 2027.
- HMT's response to its consultation on modernising payment services regulation, including the treatment of stablecoins and tokenized deposits.
- Publication of the FCA-BoE cross-authority roadmap for wholesale tokenization, with target dates for further market development.
- Further live activity in the DSS, secondary legislation to support digital services and issuances in the DSS, and the first DIGIT issuance, expected in Q1 2027.
- Progress on the UK-US programme on tokenization, stablecoins and cross-border interoperability.
- Publication of the Wholesale Digital Markets Champion's report on DLT adoption and interoperability in July 2027.

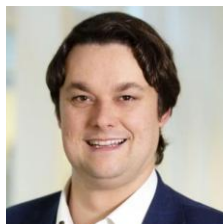
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Except for a small number of refinements, the UK has put in place a well-developed regulatory regime to support the scaling of crypto and RWA tokenisation. The rules are complex but grounded in principles-based regulation and seek to achieve the same regulatory outcomes for the same risks.

Greater legal clarity, liquidity and alignment across regulators and government are helping create the conditions for UK financial markets to move further on-chain and for new market models to develop.

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Argentina



Regulatory strategy and roadmap

Argentina is consolidating a regulated and innovation-enabling approach to integrate virtual assets and tokenization within its financial ecosystem. The government and key regulatory authorities are advancing implementation of the regulatory framework established in 2025, with a focus on market development, consumer protection, and alignment with international standards.

The National Securities Commission (CNV) and the Central Bank of the Republic of Argentina (BCRA) continue to refine the framework through supervisory guidance and technical standards.

The institutionalisation of Virtual Asset Service Providers (VASPs) and the enactment of tokenization regulations have established a regulatory framework for virtual asset service providers and tokenization in Argentina. The roadmap prioritises effective market supervision, the orderly adoption of blockchain technology, and the integration of virtual assets within Argentina's payment and financial infrastructure. There are also discussions about further strengthening the legal framework for tokenized securities.



Regulatory perimeter and authorisation

The legal framework distinguishes between traditional crypto-assets and tokenized representations of securities and real-world assets. In May 2022, the BCRA prohibited financial institutions from carrying out operations with digital assets or facilitating cryptocurrency transactions for clients. In May 2023, the same restriction was extended to payment service providers (PSPs). This prohibition on financial institutions remains in force.

In March 2024, the CNV established the Registry of PSAVs, a mandatory regulatory category that identifies and supervises platforms, exchanges, digital custodians, and intermediaries operating with virtual assets in the country. Registration under this framework enables effective oversight and facilitates compliance with international standards on anti-money laundering (AML) and countering the financing of terrorism (CFT). Registered PSAVs must meet governance, operational, and financial capacity requirements set by the CNV.

The classification of virtual assets as securities or real-world asset tokens triggers distinct regulatory obligations. Tokens representing shares, Argentine Depositary Receipts (ADRs), bonds, public fiduciary trust certificates, and fund participations fall within the CNV's securities regulatory perimeter.



Conduct, prudential and market regulation

Registered VASPs are subject to governance and conduct standards covering fit-and-proper requirements, client asset segregation, operational resilience, and cybersecurity. AML/CFT obligations include know-your-customer (KYC) procedures, transaction monitoring, and suspicious activity reporting to competent authorities. The CNV requires custodians to maintain robust controls over private keys, governance arrangements, and reconciliation processes.

In June, August, and October 2025, the CNV issued Resolutions 1069, 1081, and 1087, establishing a regulatory framework for the issuance, offering, and trading of security tokens and real-world asset tokens. The regulations require prior authorisation for issuers and trading platforms, mandatory disclosures, auditing requirements, and investor protection standards. The framework promotes technological interoperability and clear asset segregation, creating market conditions that support the digitalisation of the real economy.

Argentina (continued)



Digital money

Cryptocurrencies remain unrecognised as legal tender in Argentina, although their use for saving and value transfer continues to be widespread and significant. The BCRA has not advanced an official project for a central bank digital currency (CBDC).

Private banking institutions have engaged in discussions regarding the potential issuance of digital peso-backed instruments between January and June 2026. These conversations explore technical frameworks, reserve requirements, and redemption mechanics for private digital currency issuance. As of August 2026, no legislative framework for private digital peso issuance has been enacted. Any future regulatory regime would require coordination between the BCRA and the CNV to define issuance perimeters, custody arrangements, and consumer protections.



Tokenization and digital capital markets

The tokenization regulations and the PSAV Registry provide a regulated basis for platforms issuing tokens backed by real-world assets, including investments previously subject to regulatory or market access restrictions.

The regulatory framework enables tokenization of securities and tangible assets, including shares, ADRs, debt instruments, property-backed instruments, and investment fund participations. Platforms operating trading and custody functions for tokenized assets must be registered with the CNV, enabling compliance with operational standards and investor protection requirements. Interoperability between platforms and clear segregation of client assets are key operational expectations.



Implementation and outlook

- The PSAV Registry's continued maturation, with broader participation from institutional custodians and trading platforms, will serve as the primary indicator of how effectively Argentina's virtual asset framework translates into operational market activity.
- CNV supervisory guidance on custody standards, settlement procedures, and cross-border compliance for tokenized asset platforms is expected to close remaining operational gaps left open by Resolutions 1069, 1081, and 1087.
- Continued discussions about the possibility of strengthening the capital markets legal framework to further integrate tokenized securities, although no concrete timeline has been defined.
- Discussions among private banking institutions on a digital peso-backed instrument signal growing institutional interest, but any resulting framework remains contingent on legislative development and close coordination between the BCRA and the CNV to define issuance perimeters and consumer protections.

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Australia



Regulatory strategy and roadmap

In September 2026, the Australian Government released a Financial Innovation Strategy, reiterating its agenda for regulating crypto-related activities alongside payments and market infrastructure. The Government has reiterated a core regulatory principle that comparable activities and risks will attract comparable regulatory outcomes, regardless of the technology used, and continues to leverage the existing Australian Financial Services Licence (AFSL) regime, supplemented with tailored obligations for digital asset platforms and stablecoin issuers.

The Corporations Amendment (Digital Assets Framework) Act 2026 ("the DAF Act") passed Parliament on 1 April 2026, kicking off an 18-month implementation roadmap that introduces a new licensing framework bringing Digital Asset Platforms (DAPs) and Tokenized Custody Platforms (TCPs) within Australia's financial services licensing regime commencing on 9 April 2027. As of October 2026, industry participants are responding to ASIC's Consultation Paper 392 (CP 392), released in mid-October 2026, which outlines the final draft rules for asset-holding, net tangible assets, and platform rules ahead of the commencement in 2027.



Regulatory perimeter and authorisation

The DAF Act finalises the digital asset platform and tokenized custody platform licensing regime, bringing key intermediaries within the financial services regulatory perimeter ahead of its 9 April 2027 commencement. As of October 2026, the Government and regulators are finalising supporting regulations, guidance, and implementation arrangements.

In June 2026, the Australian Securities and Investments Commission (ASIC) extended a sector-wide no-action position under Information Sheet 225 (INFO 225) until 30 September 2026, to allow firms time to assess guidance and, where required, seek licences. This gave digital asset firms a further three months to apply for, or vary, an Australian financial services (AFS) licence. The extended deadline also applies to firms requiring an Australian Market Licence or Clearing and Settlement (CS) facility licence, who must notify ASIC in writing of their intention to apply and attend a pre-meeting with the regulator.

The scope has also been broadened to capture digital asset businesses operating under authorised representative or intermediary authorisation arrangements with an AFS licensee. ASIC has characterised the extension as a pragmatic response to transition challenges, supporting an orderly path to licensing while maintaining investor protection and market integrity. ASIC has been clear that this represents a final call to act: firms that require a licence or variation but fail to meet the conditions of the no-action position will, as of 1 October 2026, be considered in breach of financial services law, facing potential civil and criminal penalties.



Conduct, prudential and market regulation

Building on findings from Project Acacia, which identified legal certainty, settlement finality, licensing, custody arrangements, and operational resilience as areas requiring further regulatory consideration, ASIC is reviewing financial market infrastructure and clearing and settlement frameworks to identify legal uncertainties and practical barriers to tokenized market infrastructure. Where legislative reform is not required, ASIC will consider whether licensing or supervisory processes themselves create unnecessary implementation barriers.

In parallel, following the September 2026 government response to the Independent Review of the Enhanced Regulatory Sandbox (ERS), the Government and ASIC are actively overhauling the sandbox framework. The objective is to replace restrictive eligibility criteria with a more flexible, scalable model that accommodates wholesale digital market functions and bridges directly into ASIC's permanent licensing pathways. Governance is also being strengthened through a new Financial Innovation Committee, providing a strategic forum for government, regulators, and industry to share insights on tokenization and other emerging technologies. This committee sits alongside the Better Regulation Roadmap, through which the Council of Financial Regulators and other agencies are pursuing targeted reforms to improve regulatory efficiency across the digital economy.

Australia (continued)



Digital money

Australia has taken a significant step towards regulating digital money with the passage of the Treasury Laws Amendment (Payments System Modernisation) Act 2025. Under this new risk-based payments licensing framework, payment stablecoins will be regulated as tokenized stored-value facilities (SVFs).

Building on this foundation, the Government is progressing further payments licensing reforms, with legislation to be introduced to support implementation of new licensing regimes for both payment service providers and digital asset intermediaries.

Payments and settlement modernisation remains a central pillar of Australia's broader digital asset strategy. In November 2026, the Government will consult on a new Strategic Plan for Australia's Payments System, building on the 2023 plan to provide clearer direction on the future of payments, digital money, and settlement infrastructure. In parallel, following the release of the Project Acacia final report, the Reserve Bank of Australia (RBA) launched a consultation in September 2026 regarding the role of the Reserve Bank Information and Transfer System in supporting a tokenized ecosystem. This public feedback window, closing at the end of October 2026, will inform how central bank settlement services adapt to tokenized private money.

Following the broader passage of the payments licensing reforms, the RBA will also review its Exchange Settlement Account policy, considering whether non-bank payment service providers should be granted direct access to Australia's core payment systems.

Together, these reforms confirm that payment stablecoins will sit within the regulatory perimeter as tokenized SVFs, signalling a clear regulatory pathway for digital money in Australia as execution details solidify into 2027.



Australia (continued)



Tokenization and digital capital markets

As part of the 2026–27 Budget, the Government announced a new Digital Financial Market Infrastructure (DFMI) sandbox, which will give industry a regulator-supported environment to trial tokenized assets, digital money, and new market infrastructure. Testing is expected to begin between July 2027 and December 2027.

Separately, under the Budget's broader productivity agenda, the Government is carrying out preliminary policy analysis and market testing on a digitally native Australian Government Bond, exploring the potential for directly issued digital bonds to support innovation in capital markets.

The RBA will also continue working with industry to explore how central bank money and settlement services can support the growth of tokenized finance in Australia.



Implementation and outlook

ASIC's implementation roadmap for the DAF Act sets out a structured 18-month pathway from April 2026:

- Months 1–6: Stakeholder roundtables, formal consultation on draft guidelines, and the conclusion of the updated INFO 225 no-action window.
- Months 6–12: ASIC releases its final, thorough Regulatory Guide for DAPs/TCPs and formal legislative instruments covering asset-holding, custody, and capital requirements (modelled on RG 166).
- Months 12–18: Formal DAF Act commencement, opening of licensing application portals, and qualified existing operators transition onto temporary regulatory relief while processing occurs.
- From month 18 onwards: The transitional relief window closes. The regime becomes fully operational under active enforcement.

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Bahrain



Regulatory strategy and roadmap

Bahrain was one of the earliest jurisdictions in the region to bring crypto-assets inside a dedicated regulatory framework. It did so through the Crypto-Asset (CRA) Module, which first took effect in 2019. Rather than legislating a standalone virtual assets law, the Central Bank of Bahrain (CBB) has built its regime within the Capital Markets volume of the CBB Rulebook, under its rule-making powers in the Central Bank of Bahrain and Financial Institutions Law (CBB Law). Bahrain therefore has a single integrated regulator for crypto-asset services, digital token offerings, and stablecoin issuance.

The framework has developed in stages, with each extension responding to a distinct market need. The CBB first licensed crypto-asset trading, custody, and advisory services. It then added a chapter on digital token offerings and stronger cybersecurity requirements, followed by further rules on cyber hygiene. It then introduced the Stablecoin Issuance and Offering (SIO) Module, with the stated aim of enabling the safe and sound integration of stablecoins into the financial system. The CBB has presented this initiative as part of its commitment to bring crypto-related activity under oversight, with investor protection and a transparent crypto-asset market. Because the CRA and SIO Modules are linked through shared reporting obligations, the result is a joined-up framework, not a set of separate silos.



Regulatory perimeter and authorisation

The CBB is the sole regulator for crypto-asset services and stablecoin issuance in Bahrain. It runs two parallel licensing regimes within Volume 6 of the CBB Rulebook.

- CBB, crypto-asset services: The CRA Module requires firms undertaking or marketing regulated crypto-asset services within or from Bahrain to obtain a CBB licence. It sets four licensing categories covering activities including crypto-asset brokerage, dealing, custody, portfolio management, investment advice, and exchange operation. The framework distinguishes intermediaries from exchange operators, with specific restrictions on proprietary trading and matched-principal trading by licensed exchanges. Licensees are subject to governance, prudential, client protection, cybersecurity, and anti-money laundering and countering the financing of terrorism (AML/CFT) requirements. Any new service not covered by the original licence needs the CBB's prior written approval. The CBB also operates a regulatory sandbox in which innovative financial products and services can be tested under regulatory oversight.
- CBB, stablecoin issuance: The SIO Module sets the CBB's framework for issuing and offering stablecoins in or from Bahrain, covering licensing, issuance and offers to the public. Licensed stablecoin issuers are also subject to the other relevant modules in the Capital Markets volume. As a result, stablecoin issuance is a licensed activity in its own right, separate from trading or custody of crypto-assets.



Conduct, prudential and market regulation

The CRA Module sets prudential, governance and conduct requirements matched to the nature and risks of each regulated activity. These include minimum capital, client asset protection, custody, and wallet safeguards, cybersecurity, conflicts of interest and operational resilience. Licensed exchanges are subject to market integrity requirements, including restrictions on proprietary trading and matched-principal trading, and to a dedicated regime against market abuse and manipulation. Before offering portfolio management, investment advice, or complex products such as derivatives or leveraged products to retail clients, licensees must assess whether those products and services are suitable and appropriate for the client. The CBB may also, at its discretion, allow licensees to list and trade crypto-asset derivatives, but only where it is satisfied that a thorough risk management framework for derivatives is in place.

Bahrain (continued)



Conduct, prudential and market regulation

Client protection extends to how clients hold their assets. Licensees must not keep encrypted accounts that cannot be retrieved when required. They must also warn clients who hold wallets with unlicensed firms outside Bahrain about the associated risks. The module also contains dedicated provisions on client protection, marketing, and promotion, complaints handling and professional indemnity cover.

Financial crime controls are central to the regime. Licensees must use technology and, where appropriate, third-party services to detect higher-risk behaviour, such as the use of proxies, unverifiable or high-risk IP locations, and disposable contact details. They must monitor crypto-asset transactions, identify transactions involving compromised or tainted wallet addresses, and use technology that traces crypto-assets across multiple transactions to identify their source and destination. Exchanges must carry out a risk assessment before listing any crypto-asset. That assessment takes into account the background of the issuer and developer, wallet arrangements, protocol, cybersecurity, traceability, and market and legal risk.

The SIO Module imposes separate prudential and governance requirements on stablecoin issuers, including minimum capital, risk management, and orderly wind-down safeguards. These requirements work alongside the reserve and redemption protections attached to approved stablecoins, reflecting the CBB's emphasis on keeping those stablecoins stable and protecting their holders.



Digital money

The CBB regulates stablecoin issuance through the dedicated SIO Module. Licensed issuers may issue single-currency stablecoins backed by Bahraini dinars, US dollars or any other fiat currency the CBB accepts. An approved stablecoin is a fiat-backed stablecoin issued by a licensed issuer in line with the Module. Approved stablecoins must be fully backed by reserve assets of at least their par value, and holders have a continuing right to redeem them at par. The framework also allows yield-bearing approved stablecoins, provided the returns come only from interest earned on the reserve assets or, for Sharia-compliant stablecoins, from rewards. Yield-bearing approved stablecoins are treated as securities. This is a distinctive choice internationally, since many regimes prohibit issuers from paying returns to holders. Issuers that market a stablecoin as Sharia-compliant must also meet Sharia governance requirements, including appointing a Sharia adviser.

The governance requirements reflect the operational risks of running a reserve-backed token. Issuers must appoint a dedicated head of reserve asset management and keep records over an extended period. They must also hold capital sized to allow an orderly wind-down. The CBB keeps discretion to refuse or postpone an issuance. The SIO Module is also linked to the crypto-asset services regime. CRA licensees providing services in approved stablecoins must report quarterly transaction information to the issuer. The SIO Module adds its own stablecoin transaction reporting appendix and financial penalty regime. The CBB has not published a position on a central bank digital currency.



Tokenization and digital capital markets

Bahrain regulates digital tokens with securities-like characteristics through Chapter CRA-15 of its crypto-asset framework, not through a separate tokenization law. Tokens are assessed according to their characteristics and the rights attached to them. Digital tokens issued under the framework are treated as securities for the purposes of the Module, and the CBB encourages prospective issuers to discuss proposed offerings with it for an initial assessment. Offerings require CBB approval and must meet requirements on whitepaper disclosure and investor protection. They also involve a digital token adviser, a CRA-licensed role that advises the issuer on the offering, trading and its legal obligations. These requirements are separate from the general licensing rules for crypto-asset service providers, and several CRA chapters that apply to service providers do not apply to digital token issuers.

Bahrain (continued)



Tokenization and digital capital markets



Implementation and outlook

The framework therefore offers a regulated route for tokenized capital raising and for secondary trading on licensed platforms.

The same characteristics-based approach extends to stablecoins. Under the SIO Module, a yield-bearing approved stablecoin is treated as a security, and the CBB may impose additional requirements on its issuer, including securities-style disclosure after issuance. The CBB's regulatory sandbox also offers a supervised environment for testing innovative tokenization models, subject to the applicable regulatory requirements.

Bahrain is expected to continue developing its crypto-asset framework through targeted regulatory refinements rather than fundamental legislative reform. With dedicated regimes for crypto-asset services, digital token offerings and stablecoin issuance established, implementation is likely to focus on their practical application and the integration of digital assets into the wider financial system.

Stablecoins are expected to remain an important area of regulatory development as the SIO Module becomes operational. Greater clarity may emerge on their use in payment and settlement arrangements, their interaction with existing financial institutions and the treatment of cross-border stablecoin activity. The CBB may also consider further refinements to its supervisory requirements as market adoption develops, particularly in relation to reserve management, redemption and operational resilience.

Tokenization represents another potential area of growth. Although Bahrain has established a regulatory framework for digital token offerings, the broader application of tokenization to financial instruments and capital market infrastructure remains at an early stage. Further developments may focus on facilitating wider issuance and secondary-market activity, as well as clarifying how tokenized instruments interact with existing custody, settlement, and market infrastructure arrangements.

The CBB's regulatory sandbox is expected to continue supporting innovation, while the existing Rulebook provides a foundation for accommodating new digital asset products and business models. The development of stablecoin markets, tokenized capital markets, and any policy position on central bank digital currency will be important areas to monitor as Bahrain further develops its digital asset ecosystem.

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Brazil



Regulatory strategy and roadmap

The development of a regulatory framework for digital assets in Brazil has progressed in stages, aligning with international best practices.

Since 2017, the Brazilian Securities and Exchange Commission (CVM) has issued specific guidance and regulations for tokens classified as securities, establishing parameters for public offerings and the trading of such assets. The Brazilian Federal Revenue Service mandated in 2019 the reporting of crypto-assets in income tax returns for both individuals and legal entities.

Law No. 14,478, of December 2022, defines “virtual asset” and assigns regulatory and supervisory powers to the Central Bank of Brazil (Banco Central do Brasil, BCB), which established a policy roadmap prioritising the alignment of virtual asset service providers with reporting and monitoring standards applicable to financial institutions, strengthening the anti-money laundering and counter-terrorist financing (AML/CFT) framework, and integrating virtual asset activities with the traditional national financial system.



Regulatory perimeter and authorisation

Following the designation of the Central Bank of Brazil as the entity responsible for regulating virtual assets within the country, the initial steps taken in 2023 and 2024 involved public consultations aimed at gathering relevant market data to support the definition of regulatory aspects.

At the end of the consultation cycle, in 2025, the Central Bank of Brazil published three initial regulations regarding the licensing and registration process for virtual asset service providers:

- BCB Resolution N° 519 defines the rules for the authorisation and transition of these service providers.
- BCB Resolution No. 520 defines the rules for the incorporation, governance, and operation of virtual asset service providers (referred to as PSAVs).
- BCB Resolution N° 521, defines the rules for the classification of virtual asset transactions intended for international transfers or payments within the foreign exchange market.

This set of rules reinforces the Central Bank of Brazil's intention to apply the same level of supervision found in the traditional market to entities that provide virtual asset services, not only by imposing requirements specific to this market, but also by extending the entire existing regulatory framework of the financial sector to these entities.



Conduct, prudential and market regulation

The resolutions issued by the Central Bank of Brazil have established a range of requirements for operating as a virtual asset service provider. These regulations stipulate that such service providers may apply for the following licences and must comply with the requirements applicable to their respective activities:

- Virtual asset intermediaries;
- Virtual asset custodians;
- Virtual asset exchanges.

The requirements for operating as a virtual asset service provider include:

- Economic and financial viability of the business plan;
- Adequate economic and financial capacity of controllers;
- Fit and proper criteria for controllers, qualifying shareholders, and managers, including integrity and technical capacity;
- Lawful origin of funds used to capitalise the institution and acquire qualifying holdings;
- Organisational structure, information technology infrastructure, and governance compatible with the complexity and risks of the business.

Brazil (continued)



Digital money

In 2020, the Central Bank of Brazil launched a Central Bank Digital Currency (CBDC) project, with the goal of studying the feasibility of a distributed ledger technology (DLT)-based virtual asset for use by the general public.

In 2025, the Central Bank informed market participants that this concept had been re-evaluated, taking into account considerations regarding banking secrecy, data protection, and infrastructure requirements.

As communicated by the regulator, the focus is on facilitating "behind-the-scenes" solutions, primarily aimed at the reconciliation of liens and the tokenization of assets used as credit collateral, although no clear timeline has been established.

This new approach will not affect the end-user experience; rather, it will serve as a tool to enhance the capital market, bringing greater agility and transparency to contracts and financing arrangements.



Tokenization and digital capital markets

As of October 2026, Brazil's regulatory approach to tokenization has not relied on a dedicated standalone law but has instead incorporated tokenization into the existing regulatory framework.

The Central Bank of Brazil (BCB) has brought stablecoins under the scope of traditional foreign exchange (FX) market rules through BCB Resolution No. 521. Virtual asset service providers (VASPs) and authorised institutions are permitted to use virtual assets within the FX market.

However, BCB Resolution No. 561 expressly prohibits the use of stablecoins and crypto-assets for the settlement of electronic foreign exchange (eFX) transactions, mandating that all financial settlement for eFX must take place exclusively through traditional channels (such as SWIFT) or via standard banking foreign exchange operations.

The tokenization of real-world assets (RWAs) in Brazil is regulated based on the legal nature of the underlying asset, rather than the technology employed. If a token represents an interest, a share of profits, or rights associated with collective investment contracts, such as debentures, fractional shares in investment funds, or structured credit instruments, it is classified as a security (a "security token"). In such cases, it falls under the exclusive jurisdiction of the Brazilian Securities and Exchange Commission (CVM), as governed by CVM Guidance Opinion nº 40 and CVM Resolution 88.

Conversely, if a token represents a tangible commercial asset or a straightforward credit claim that does not constitute a collective investment, such as units of commodities or carbon credits, its trading and custody are governed by the Civil Code and the general guidelines issued by the Central Bank of Brazil (BCB) for Virtual Asset Service Providers (VASPs).



Brazil (continued)



Implementation and outlook

With the introduction of licensing-related legislation in Brazil in 2025, the Central Bank of Brazil established a deadline for both new entities and existing traditional financial market institutions to submit applications to the Central Bank to operate as virtual asset service providers. The licensing process is governed by BCB Resolution No. 520, which requires virtual asset service providers to submit, as part of their license application, a technical certification issued by an independent entity, demonstrating compliance with the requirements specified in BCB Normative Instruction No. 701.

The regulation stipulates that entities failing to meet regulatory requirements must cease their operations within the national territory. For companies already operating in the market, the deadline to submit the information required for licensing is the end of October 2026. From that point on, the Central Bank of Brazil will evaluate the applications and, where appropriate, grant licenses for regulated operations. After this date, any new companies must complete the formal licensing application process before commencing their operations.

Ongoing supervision includes the preparation of audited financial statements and periodic assessments, while providing the Central Bank of Brazil with unrestricted access to information concerning virtual asset service providers and any sub-service organisations engaged in carrying out their responsibilities.

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Canada



Regulatory strategy and roadmap

Canada is advancing a risk-focused approach to digital assets through its existing financial regulatory architecture. Oversight is distributed among federal and provincial authorities according to the nature of the asset, the activity, and the regulated entity. The regulatory direction is shifting from interim measures toward more formal requirements, including implementation of the federal stablecoin framework, integration of crypto-asset trading platforms into the Canadian Investment Regulatory Organization (CIRO) membership framework, application of prudential standards to financial institutions' crypto-asset exposures, and stronger financial-crime supervision.

In February 2026, CIRO clarified its expectations for the custody of digital assets by Dealer Members operating crypto-asset trading platforms in Canada. The Notice is intended to explain the policy rationale, regulatory intent, and practical application of the digital asset custody requirements.

Canada's roadmap is expected to remain aligned with international standards while preserving the existing division of responsibilities among securities, banking, payments, and financial-crime regulators.



Regulatory perimeter and authorisation

The federal government introduced Canada's stablecoin framework through the 2025 Budget Implementation Act, with the framework expected to come into force in 2027. Designed to be compatible with regulatory approaches in the United States and the European Union, it incorporates key elements consistent with Financial Stability Board recommendations. Registration with and oversight by the Bank of Canada (BoC) would require issuers to maintain segregated, insolvency-protected reserves of high-quality liquid assets on at least a 1:1 basis, provide redemption at par, and establish public policies for governance, risk management, data security, and recovery and resolution. Issuers may not offer interest or yield, or represent their stablecoins as legal tender, deposits, or deposit-insured, and are subject to anti-money laundering (AML) and anti-terrorist financing (ATF) requirements as money services businesses (MSBs). The legislative framework provides for supporting regulations to be developed by the Department of Finance Canada in collaboration with the BoC, with draft regulations subject to public consultation.



Conduct, prudential and market regulation

The Office of the Superintendent of Financial Institutions (OSFI) issued its Capital and Liquidity Treatment of Crypto-asset Exposures (Banking) Guideline (2027), based on the Basel Committee on Banking Supervision's prudential framework and adapted for federally regulated Canadian institutions. It establishes the regulatory capital and liquidity treatment of crypto-asset exposures for banks, including federal credit unions, bank holding companies, federally regulated trust companies, and federally regulated loan companies. The guideline provides two treatment options:

- **Thorough approach:** institutions assess crypto-assets on an ongoing basis against the guideline's classification conditions and place them in one of four categories: Group 1a, qualifying tokenized traditional assets; Group 1b, qualifying value-referenced crypto-assets, including certain stablecoins; Group 2a, crypto-assets that do not qualify for Group 1 but meet the criteria for recognition of hedging; and Group 2b, all other crypto-assets, whose value must be fully deducted from Common Equity Tier 1 (CET1) capital.
- **Simplified approach:** it is available to institutions with limited crypto-asset exposures or those wishing to streamline or bypass the classification process. Under this approach, institutions treat all crypto-asset exposures as Group 2b, deduct their value from CET1 capital, and treat the relevant assets as non-high-quality liquid assets under the liquidity coverage ratio and net stable funding ratio standards.

Canada (continued)



Digital money

Updates were made to the guidelines to exclude exposures arising from client-clearing activities from the Group 2 exposure limit calculation reflecting limited residual risk after offsetting positions between the client-facing and qualifying central counterparty facing legs of a clearing transaction.

Regardless of the approach adopted, institutions should also consider credit valuation adjustment risk, counterparty credit risk, operational risk, leverage, and large exposure risk, and should notify OSFI if they opt for the thorough approach or transition between approaches.

The Canadian Securities Administrators (CSA) framework for Value-Referenced Crypto Assets (VRCAs) remains a defining feature of Canada's crypto regime. It will operate alongside the new federal Stablecoin Act, which received Royal Assent on 26 March 2026 and is expected to come into force in 2027 following the development of implementing regulations. The proposed regulations were released on 24 October 2026 with a 60-day consultation period. The two frameworks address distinct activities: the CSA oversees the trading of VRCAs on cryptoasset trading platforms, while the BoC will supervise the issuance of fiat-backed stablecoins.

The BoC has scaled down work on a retail central bank digital currency (CBDC), shifting focus to a broader payments-modernisation mandate.



Implementation and outlook

Anti-money laundering (AML) enforcement enhancement: Oversight has tightened. The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) cancelled several crypto-related money services business (MSB) registrations for compliance failures in early 2026, and the maximum administrative monetary penalty for the most serious money-laundering violations rose to \$20 million (if committed by an entity).

Central bank experimentation: Beyond regulation, the BoC has been involved with two projects testing how tokenized assets could work in practice. Project Samara issued Canada's first tokenized bond, a \$100 million Canadian dollar-denominated bond of less than 3 months, to a closed investor group. The Samara Platform achieved instant, same-day (T+0) atomic settlement and supported the full bond workflow (i.e., issuance, coupon payments, redemption, secondary trading), demonstrating efficiency gains and reduced settlement risk, though offset by liquidity costs, governance complexity, and regulatory friction.

Project Agorá, which the BoC joined in May 2026, is a Bank for International Settlements (BIS)-led project on tokenized cross-border payments.

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Cayman Islands



Regulatory strategy and roadmap

The Cayman Islands' digital-asset policy has developed in deliberate stages, moving from regulatory perimeter-setting towards licensing, ongoing supervision, market conduct, and international tax transparency. Phase 1 of the Virtual Asset Service Providers (VASPs) framework commenced on 31 October 2020 and focused on registration, AML/CFT compliance, supervision, and enforcement. Phase 2 took effect on 1 April 2025, requiring providers of virtual-asset custody and trading-platform services to obtain a Cayman Islands Monetary Authority (CIMA) licence. Other virtual-asset services generally remain subject to registration, unless CIMA grants a waiver to an entity already supervised under another Cayman regulatory law.

During 2026, Cayman strengthened three policy pillars:

- First, effective 2 February 2026, CIMA's market-conduct rules introduced standards for client protection, disclosures, complaints, trading-platform operations, and custody. These complement its risk-based supervision and regulatory reporting requirements.
- Second, effective 24 March 2026, amendments to the Mutual Funds Act, Private Funds Act, and Virtual Asset (Service Providers) Act (VASP Act) integrated tokenized funds into Cayman's existing funds framework. The amendments address recordkeeping, transfers, risk disclosures, reporting and CIMA oversight, while excluding regulated tokenized-fund issuances from the VASP issuance regime.
- Finally, CIMA published new rules on sanctions compliance and effective AML/CFT/CPF compliance programmes, which took effect on 18 September 2026. These strengthen governance, risk assessment, screening, training and independent assurance requirements, including the filing of compliance-programme audit reports with CIMA.

Taken together, these developments reinforce a policy direction centred on regulated institutional use cases. Rather than establishing a separate legal system for blockchain-based finance, Cayman is integrating digital assets into its existing funds, financial-services, AML/CFT, and international tax-cooperation frameworks.



Regulatory perimeter and authorisation

The principal legislation is the VASP Act, 2024 Revision, as amended in 2026. The Act applies where an entity provides an in-scope virtual-asset service as a business in or from within the Cayman Islands. It defines a virtual asset as a digital representation of value that can be digitally traded or transferred and used for payment or investment purposes. Digital representations of fiat currency and virtual service tokens are excluded.

- Public issuance of newly created virtual assets.
- Exchange between virtual assets and fiat currency or other convertible virtual assets.
- Transfer of virtual assets on behalf of another person.
- Virtual-asset custody.
- Financial services relating to a virtual-asset issuance or sale.

Custodians and trading-platform operators require a CIMA licence, while other covered services generally require registration. An entity regulated by CIMA under another law may obtain a waiver where the virtual-asset activity does not materially change its existing business and its current supervision is sufficient to cover that activity.

The VASP Act may also apply alongside other financial-services legislation, depending on the legal rights represented by the asset and the nature of the services provided. For example, tokenized fund interests remain subject to the Mutual Funds Act or Private Funds Act, while a platform dealing in virtual assets that constitute securities may also require authorisation under the Securities Investment Business Act. CIMA may therefore require a business to be authorised under the VASP Act, another regulatory law, or both.

Cayman Islands (continued)



Conduct, prudential and market regulation

Cayman's framework combines sector-wide CIMA requirements with measures tailored to virtual-asset activities. Authorised virtual asset service providers (VASPs) are subject to requirements covering governance, fitness and propriety, internal controls, cybersecurity, outsourcing, recordkeeping, reporting, market conduct, and AML/CFT compliance.

Licensed custodians and trading platforms are subject to additional prudential and operational standards. These include governing-body accountability, risk-based capital of at least six months' fixed overheads, recovery planning, stress testing, and annual review of IT and cybersecurity risks.

Custody providers must segregate client assets from proprietary and group assets, maintain client-position records, reconcile balances to the relevant distributed ledger, and implement controls over private keys, backups, and key-compromise events. Trading platforms must maintain controls for market-abuse monitoring, account or trading suspension, platform resilience, clearing and settlement, pricing, and asset listings.

All VASPs must also meet market-conduct standards relating to fair client communications, conflicts of interest, fees, risk disclosures, client agreements, and complaints. The Travel Rule additionally requires prescribed originator and beneficiary information to accompany virtual-asset transfers, supported by procedures for incomplete information.

AML obligations include risk assessment, customer due diligence, ongoing monitoring, sanctions screening, recordkeeping, and suspicious-activity reporting.

VASPs regulated by CIMA must also comply with two mandatory rules that took effect on 18 September 2026. The two new rules are:

- The Rule on Effective Compliance Programme for the Prevention and Detection of Money Laundering, Terrorist Financing and Proliferation Financing for Financial Services Providers (AML Rule); and
- The Rule on Compliance with Financial Sanctions and Targeted Financial Sanctions (Sanctions Rule).

A key requirement of the 2026 AML Rule is the ongoing assessment of the effectiveness of VASPs' compliance programmes:

- VASPs must establish independent audit procedures to assess whether their compliance programmes are adequate, effective and aligned with applicable regulatory requirements, including prescribed returns.
- Audit frequency is risk-based and should reflect the VASP's size, complexity, activities and risk profile. CIMA's FAQs suggest potential cycles of two, three, and four years for higher-, medium- and lower-risk Financial Service Providers, respectively.
- Audits must be performed by suitably qualified persons who are independent of the design, implementation and operation of the controls reviewed, and free from conflicts of interest.
- Audit reports must be filed with CIMA promptly after completion, and identified deficiencies must be remediated within risk-appropriate timeframes. After two consecutive internal audits, the next audit must be conducted externally.

Cayman Islands (continued)



Digital money

The VASP Act does not establish a separate statutory category or prudential regime for stablecoins. A fiat-referenced token is assessed according to its legal and operational characteristics. Where it meets the definition of a virtual asset, activities such as public issuance, custody, transfer or exchange may trigger registration or licensing under the VASP Act.

The current framework is activity-based rather than a bespoke stablecoin prudential regime. CIMA's rules impose requirements concerning client-asset protection, disclosures, custody, conflicts, insurance, and risk management. The Act does not establish a universal requirement for every stablecoin issuer to maintain full fiat reserve backing or offer redemption on standardised terms. Reserve composition, redemption rights, insolvency treatment, and representations made to token holders therefore require transaction-specific legal and regulatory assessment.

Depending on its design, a stablecoin arrangement may also fall within another Cayman regulatory regime. CIMA may therefore require authorisation under the VASP Act, another regulatory law or both.



Tokenization and digital capital markets

The most significant 2026 development is the enactment of coordinated amendments to the Mutual Funds Act, Private Funds Act and VASP Act. The legislation defines digital equity tokens and digital investment tokens as digital representations of the whole of an investor's interest in a mutual or private fund.

Tokenized funds remain regulated under Cayman's established funds legislation. The requirements include:

- Secure records covering the issuance, creation, sale, transfer, and ownership of tokenized interests.
- Annual confirmation by the operator that the required records have been properly maintained.
- Operator approval of transfers in accordance with the offering document.
- Disclosure of cybersecurity, transferability, and other token-specific risks, together with their mitigation.
- Periodic reporting and information requirements specified by CIMA.
- CIMA inspection powers covering the underlying technology and token transactions.

The corresponding VASP amendment excludes the issuance of digital equity or investment tokens by regulated tokenized funds from the definition of a virtual-asset issuance. This reduces the risk of duplicate regulation merely because fund interests are recorded through distributed-ledger technology. A fund or service provider that separately provides custody, exchange, or transfer services to third parties may still fall within the VASP regime.

The significance of these reforms lies in extending Cayman's established investment-funds framework to digital ownership and transfer. By defining digital equity and investment tokens as representations of existing fund interests, the legislation enables tokenization within regulated mutual and private fund structures rather than creating a separate category of investment product. This approach preserves existing governance and investor-protection requirements while introducing additional controls over digital records, transfers, cybersecurity risks, and regulatory oversight.

Cayman Islands (continued)



Implementation and outlook

With the principal regulatory reforms now in place, Cayman's focus will centre on implementation, reporting, and supervisory readiness.

- From 18 September 2026, VASPs must comply with CIMA's sanctions and AML/CFT/CPF rules, including enhanced governance, screening, and independent audit requirements.
- Tokenized funds must operationalise secure recordkeeping, transfer approvals, risk disclosures, and readiness for CIMA inspection of their technology and token transactions.

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Channel Islands – Jersey



Regulatory strategy and roadmap

Jersey continues to take an approach to the regulation of cryptoassets that combines amendments to existing financial services laws with guidance from the Jersey Financial Services Commission (JFSC). The regulator has a commitment to innovation, market integrity for the protection of investors, and financial stability.

The island incorporates requirements and definitions from the Financial Action Task Force (FATF) and the Organisation for Economic Co-operation and Development (OECD) when developing legislation and regulations.

The OECD's Crypto-Asset Reporting Framework (CARF) became effective in domestic law on 1 January 2026.

The JFSC works with the Digital Assets Innovation Council, established in December 2025 as a cross-industry working group to monitor and respond to industry changes and increase the island's attractiveness, and with the Digital Assets Working Group (DAWG), which focuses on regulatory and legal aspects. Digital Jersey, a government-supported entity, provides the Digital Jersey Sandbox, a platform that offers business licensing and networking support for digital enterprises.



Regulatory perimeter and authorisation

Jersey's Proceeds of Crime (Amendment No. 6) (Jersey) Law 2022 brought the FATF definitions of virtual asset and Virtual Asset Service Provider (VASP) into domestic law. The island regulates the exchange of virtual assets for fiat or other virtual assets, the transfer of virtual assets, safekeeping or administering virtual assets, and participation in an issuer's offer or sale of a virtual asset.

Entities performing these activities in Jersey are required to register with the JFSC for AML/CFT/CPF purposes. The JFSC has adopted a target timeline of 20 business days for responding to complete VASP applications.

VASP requirements are included within Section 16 of the JFSC's Handbook for the prevention and detection of money laundering, the countering of terrorist financing, and the countering of proliferation financing (AML/CTF/CPF Handbook).

Amendments made in 2023 to the EU Legislation (Information Accompanying Transfers of Funds) (Amendment) (Jersey) Regulations 2017 brought VASPs within the scope of Travel Rule requirements.

A VASP undertaking a wider financial services business, such as dealing in or advising on tokenized securities, also falls within the Financial Services (Jersey) Law 1998 and requires further authorisation under that regime.



Conduct, prudential and market regulation

VASPs must comply with customer due diligence, ongoing monitoring, and reporting obligations under the AML/CTF/CPF Handbook. Jersey's Travel Rule requires VASPs to accompany virtual asset transfers with originator and beneficiary information. The JFSC published guidance on compliance in 2024 and updated scenarios in November 2025.

In Jersey, VASPs undertaking wider financial services business are subject to codes of practice covering governance, risk management, and financial resources requirements.

Channel Islands – Jersey (continued)



Digital money

Jersey does not recognise or issue fiat-backed stablecoins as legal tender and does not have a central bank or plan to issue a central bank digital currency (CBDC).

Firms seeking to issue stablecoins in Jersey must provide the JFSC with details of collateral, custody arrangements, target buyers, redemption rights, and any de minimis issuance or redemption amount.



Tokenization and digital capital markets

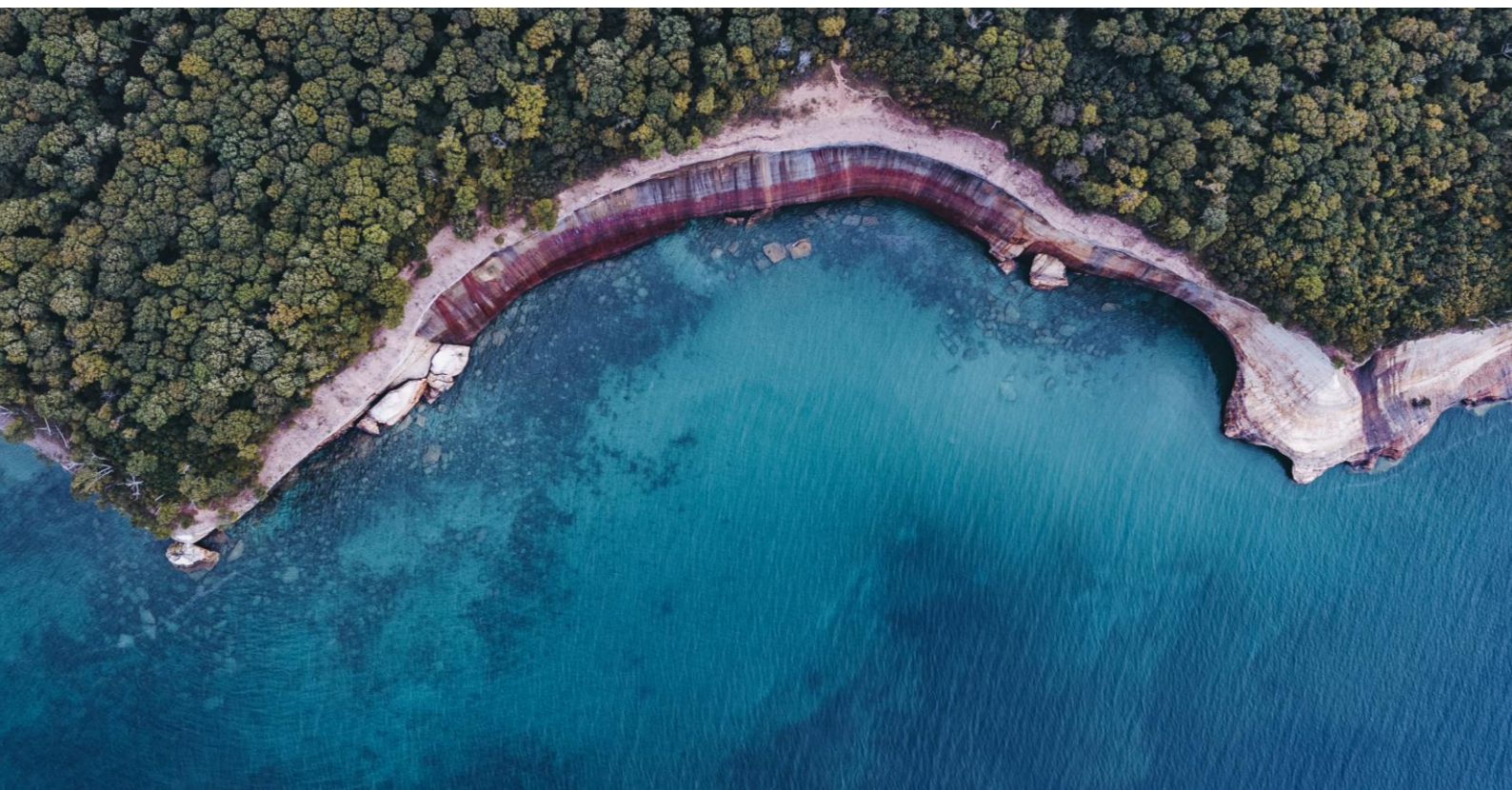
The JFSC adopts a substance-over-form approach to tokenized real-world assets (RWAs): where the underlying asset is a security, its tokenized form is regulated as a security. Issuers are required to register as a Jersey company, comply with anti-money laundering requirements, obtain consent under the Control of Borrowing (Jersey) Order 1958 (COB Order), appoint a Jersey-resident director, and provide an information memorandum or white paper. Issuers are required to have smart contracts deployed during the year audited and underlying assets independently verified by a qualified third party on an annual basis.

The JFSC's tokenization guidance includes an indicative timeline of five business days for responding to an application, subject to the application being complete and the RWAs being considered lower risk.



Implementation and outlook

The first phase of the repeal of the COB Order took effect in April 2026, with full repeal expected in early 2027. A replacement regime is expected to provide a more simplified and modern approach to registration.



Channel Islands – Guernsey



Regulatory strategy and roadmap

Guernsey continues to take an approach to the regulation of cryptoassets that combines amendments to existing financial services laws with guidance from the Guernsey Financial Services Commission (GFSC). The regulator demonstrates a commitment to innovation, market integrity for the protection of investors, and financial stability.

Guernsey incorporates the requirements and definitions from the Financial Action Task Force (FATF) and the Organisation for Economic Co-operation and Development (OECD) when developing legislation and regulations.

The OECD's Crypto-Asset Reporting Framework (CARF) became effective in domestic law on the island on 1 January 2026.

The GFSC's Innovation Sandbox + Concierge, supported by Guernsey Finance and launched in October 2025, facilitates responsible innovation by allowing firms to establish products in a controlled regulatory environment.



Regulatory perimeter and authorisation

Guernsey's Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022 (LCF Law) brought the FATF definitions of virtual asset and Virtual Asset Service Provider (VASP) into domestic law. The island regulates the exchange of virtual assets for fiat or other virtual assets, the transfer of virtual assets, safekeeping or administering virtual assets, and participation in an issuer's offer or sale of a virtual asset.

Entities performing these activities in Guernsey require a VASP licence from the GFSC.

VASP requirements are included within Chapter 18 of the GFSC's Handbook on Countering Financial Crime (AML/CFT/CPF).

Following its 2026 consultation, the GFSC is removing the requirement for existing Protection of Investors (Bailiwick of Guernsey) Law, 2020 licensees and insurance licensees to hold a separate VASP licence for virtual asset activities carried out in the course of their existing business, to be formalised through a consolidated notice under the LCF Law, which took effect on 1 October 2026.

Traditional custodians licensed under the Protection of Investors Law may also act as custodians of virtual assets without an additional VASP licence, subject to the safekeeping requirements under VASP Rule 10.4. The GFSC has clarified that providing general advice on virtual assets and settling insurance claims using virtual assets or stablecoins through smart contracts do not themselves require a VASP licence.



Conduct, prudential and market regulation

Guernsey Part III VASP licensees must maintain sufficient oversight resources within the island, confirm the board and senior management hold adequate knowledge and experience, obtain GFSC consent before outsourcing functions abroad, produce audited accounts available to the public on request, and avoid co-mingling client virtual assets with their own.

Following its 2026 consultation, the GFSC is removing the restriction limiting Part III VASP services to institutional and wholesale clients, permitting licensees to offer services to retail clients subject to appropriate safeguards.

The GFSC's July 2026 guidance on tokenization also requires governing bodies and service providers to maintain control frameworks proportionate to the scale and complexity of tokenized arrangements, covering legal, operational, financial crime, and technology risks. Issuers must disclose key risks to investors regardless of the technology used.

VASPs must comply with customer due diligence, ongoing monitoring, and reporting obligations under the Handbook

Channel Islands – Guernsey (continued)



Digital money



Tokenization and digital capital markets



Implementation and outlook

Guernsey does not recognise or issue fiat-backed stablecoins as legal tender, and does not have a central bank or plan to issue a central bank digital currency (CBDC).

Guernsey has no dedicated stablecoin legislation, and stablecoins are explicitly excluded from the GFSC's July 2026 tokenization guidance. Stablecoin guidance is expected before the end of 2026. Firms must assess whether their activities fall under the LCF Law or VASP definition.

The GFSC's tokenization guidance, published in July 2026, applies a "same activity, same risk, same regulatory outcome" principle to tokenized RWAs.

Following its consultation in 2026, the GFSC effected changes that removed the previous blanket restriction on offerings to retail investors, and other previous requirements that were considered more onerous than other financial services industry sectors. The changes, which took effect on 1 October 2026, also mean funds can use public blockchains as their primary register without a parallel off-chain record being required.

Native tokenization of RWAs may fall within the LCF Law and require VASP licensing if virtual asset services are being provided. Guernsey's Prospectus Rules 2025 apply to tokenized offerings unless an exemption is available.

The GFSC is formalising the legal changes required for its updated digital assets and tokenization guidance, with changes expected by December 2026 and during 2027. This includes:

- Removal of the requirement for existing custody and insurance licensees to obtain a separate VASP licence
- Providing feedback and new guidance for issuers of stablecoins

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El Salvador



Regulatory strategy and roadmap

El Salvador has operated a dedicated legal and supervisory framework for digital assets since 2023. The Digital Assets Issuance Law (LEAD) regulates public offerings of digital assets, issuers, Digital Asset Service Providers (DASPs) and other participants in the issuance process. It also established the National Commission of Digital Assets (CNAD) as the regulator and supervisor for this perimeter. The framework can apply to tokenized financial instruments and real-world assets where they meet the statutory definition of a digital asset.

CNAD has issued supporting regulations covering DASP registration and conduct, the registration of issuers and public and private issuances, and public offerings of stablecoins. The framework has been operational since 2023, with issuers, service providers and offerings registered and supervised under LEAD. CNAD's public registers continued to record new issuers and DASPs during 2026.

LEAD sits alongside the 2021 Bitcoin Law and the wider financial services framework. The Investment Banking Law, adopted in August 2025, introduced a separate regime for investment banks serving sophisticated investors. Authorised investment banks may seek additional authorisation to act as DASPs, digital asset issuers or Bitcoin service providers.



Regulatory perimeter and authorisation

LEAD applies to public offerings of digital assets in El Salvador and to the issuers, DASPs and other participants involved in those offerings. Public offerings require prior CNAD authorisation and the publication of a Relevant Information Document (DIR). The process includes an authorised structurer and a certifier, with the issuer registered once an offering has been approved.

DASPs must register with CNAD and obtain permissions for the activities they undertake. Regulated activities include exchanging digital assets for fiat money or other digital assets, operating trading platforms, placing digital assets, structuring and administering digital asset investment products, transferring or safeguarding digital assets, and receiving or executing client orders. Permissions are activity-specific and an individual DASP may hold more than one.

According to CNAD's September 2026 Technical Area executive summary, 495 applications had been handled since the regime was established, of which 31% had been approved. As of September 2026, 86 DASPs were authorised under the framework.

The regulations also provide a separate no-objection process for private issuances directed to no more than 50 qualified investors. Foreign-issued stablecoins may separately be admitted for commercialisation following CNAD's no-objection process.

Bitcoin service providers sit within a separate framework administered by the Central Reserve Bank of El Salvador (BCR) and supervised by the Superintendence of the Financial System (SSF). Where activities also fall within the LEAD perimeter, the relevant CNAD requirements apply.

El Salvador (continued)



Conduct, prudential and market regulation

CNAD issues technical standards, maintains public registers and supervises issuers, DASPs, certifiers, issuance platforms and other participants within the LEAD perimeter. It can request information, undertake inspections, suspend activities or offerings, impose administrative sanctions, revoke registrations and require remediation.

The supporting framework establishes requirements relating to governance, fitness and propriety, safeguarding and custody, systems and controls, cybersecurity, operational resilience, outsourcing, conflicts of interest, disclosures, reporting and record-keeping.

Regulated firms are also subject to anti-money laundering and counter-terrorist financing requirements under the national financial crime framework. CNAD applies risk-based supervision to entities within its perimeter and requires ongoing regulatory reporting. This includes quarterly reporting on public offerings traded through DASP platforms, purchaser information for relevant private offerings, and quarterly financial statements from DASPs and certifiers.

Under the Investment Banking Law, prudential regulation and supervision of investment banks remain within the existing financial services framework. Investment banks undertaking digital asset or Bitcoin activities must also obtain the relevant permissions under the applicable digital asset or Bitcoin regime.



Digital money

The 2021 Bitcoin Law remains in force. Following amendments adopted in January 2025, acceptance of Bitcoin is voluntary for natural persons and legal entities with wholly private participation. Taxes must be paid in US dollars, and monetary obligations of the state must be settled in the currencies in which they were contracted.

Bitcoin service providers remain subject to registration and supervision under the Bitcoin framework. Public-sector participation in the government-established Bitcoin e-wallet has also been substantially reduced, with majority ownership and operational control transferred to a private operator.

Stablecoins fall within LEAD where they are issued through a public offering or admitted for trading by a regulated provider. The stablecoin regulations establish requirements relating to reserve assets and backing, valuation, redemption, governance, disclosure, audit and ongoing reporting.

Foreign-issued stablecoins may also be admitted for commercialisation following a CNAD no-objection process. CNAD maintains a list of stablecoins authorised through domestic public offerings and foreign-issued stablecoins that have received a no-objection determination.



Tokenization and digital capital markets

LEAD provides a framework through which financial instruments and real-world assets can be issued and transferred as digital assets. Public offerings are subject to authorisation, disclosure, certification and service-provider requirements, with the DIR setting out information on the issuer, the asset, the proposed use of funds, investor rights and material risks.

The framework is used across a range of tokenized assets. According to CNAD's September 2026 Technical Area executive summary, 287 offerings had been enabled under the regime, including 55 real-estate and construction offerings since 2023.

Trading, settlement and custody activities must be undertaken through appropriately registered service providers. Platforms and custodians are subject to requirements relating to operational and financial risks, client asset protection, transaction processing and market conduct.

The Investment Banking Law has also created a route for authorised investment banks to undertake digital asset activities for sophisticated investors, subject to the relevant additional authorisations. This provides a link between the LEAD framework and the regulated banking sector.

El Salvador (continued)



Implementation and outlook

The LEAD framework is operational, with issuers, offerings, DASPs, certifiers and other market participants registered under the regime. CNAD's public registers show continued additions during 2026, while regulatory reporting and ongoing supervision have become established elements of the framework.

CNAD has also expanded cooperation with overseas regulatory authorities. It reports that it has signed nine memoranda of understanding with international counterparts and has undertaken training and technical cooperation with authorities across those jurisdictions, focused on digital asset regulation, supervision and supervisory practices.

Further development of the framework is expected as implementation of the Investment Banking Law progresses and supervisory practices continue to evolve. El Salvador has also agreed, as part of its programme with the International Monetary Fund (IMF), to further modernise the legal, regulatory and supervisory framework for digital assets and strengthen governance and risk management relating to public-sector cryptoasset holdings.

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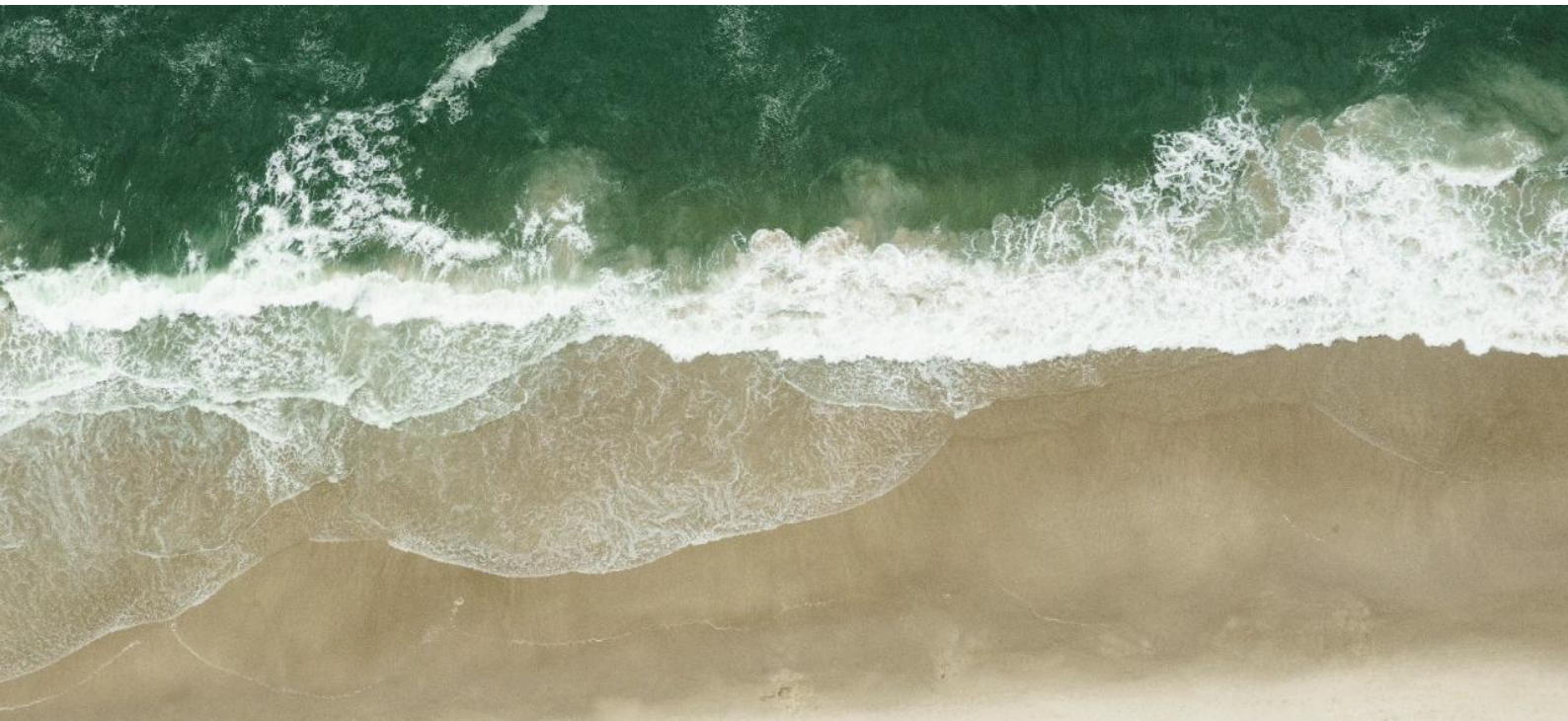
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This jurisdictional entry has been reviewed and endorsed by the National Commission of Digital Assets, September 2026.

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Gibraltar



Regulatory strategy and roadmap

Gibraltar's approach to digital asset regulation has consistently been one of early engagement followed by incremental refinement. HM Government of Gibraltar issued the Financial Services (Distributed Ledger Technology Providers) Regulations 2017 (effective January 2018), superseded by the Financial Services (Distributed Ledger Technology Providers) Regulations 2020 and now amended to the Financial Services (DLT Providers and VAA Providers) Regulations 2020 ("DLT Regulations"). This early move signalled the Government's policy objective of attracting reputable digital asset businesses while facilitating the jurisdiction operates under proportionate regulatory supervision.

Following the addition of a market integrity principle to the DLT Regulations in April 2022, the Gibraltar Financial Services Commission (GFSC) has consulted with industry stakeholders on extending the scope of the DLT framework, culminating in a further amendment to the DLT Regulations to bring Virtual Asset Arrangement Providers (VAAPs) into the scope of the DLT Regulations.

The Government has also continued to pursue its stated objective of broadening Gibraltar's fund and market infrastructure offering to support tokenization, most notably through the enactment of the Protected Cell Companies (Amendment) Act 2026.

Separately, Gibraltar has signalled a broader ambition to remain an agile hub for digital and alternative financial products beyond core cryptoassets, illustrated by the introduction of a bespoke regulatory framework for prediction markets under the Gambling Act in July 2026.

Overall, the direction of travel remains one of targeted, principles-based extension of an established regulatory architecture, with the GFSC favouring guidance and outcomes-focused clarification.



Regulatory perimeter and authorisation

Gibraltar's core cryptoasset legislation does not classify digital assets by reference to fixed labels (such as "utility token" or "security token"); instead, the DLT Regulations apply an activity-based test. Historically, this test captured any entity that stores or transmits value belonging to others using DLT, which must be authorised by the GFSC as a DLT Provider.

With effect from 27 October 2025, providing virtual asset arrangements became a regulated activity. A person provides such arrangements where, by way of business, the person exchanges or makes arrangements with a view to the exchange of virtual assets for money, money for virtual assets, or one virtual asset for another. This may capture non-custodial over-the-counter (OTC) and brokerage models and certain peer-to-peer platforms where the operator exchanges, or makes arrangements with a view to the exchange of, virtual assets.

The GFSC has emphasised that the DLT framework applies in full to both categories, but some principles would be less applicable to VAAPs. Firms should therefore no longer assume that operating on a non-custodial basis places them outside its reach.

Gibraltar legislation covering cryptoasset and DLT activities includes:

- Financial Services (DLT Providers and VAA Providers) Regulations 2020 ("DLT Regulations"), regulations under the Financial Services Act 2019 governing DLT Providers and, following the 2025 extension, VAAPs.
- Proceeds of Crime Act 2015 (Relevant Financial Business) (Registration) Regulations 2021 ("POCA Registration Regulations") provide for the GFSC registration of relevant financial businesses, including in-scope virtual-asset businesses that are not authorised under the DLT framework, for AML/CFT supervisory purposes.

Gibraltar (continued)

- Financial Services (Experienced Investor Funds) Regulations 2020 (“EIF Regulations”), regulations under the Financial Services Act 2019 governing Experienced Investor Funds (EIFs).
- Protected Cell Companies (PCC) (Amendment) Act 2026, primary legislation, in force from 30 July 2026, extending the Protected Cell Companies Act 2001 to enable EIFs structured as PCCs to issue tokenized shares.

Firms falling within either the DLT Provider or VAAP activity must be authorised by the GFSC. Applicants proceed through the GFSC’s staged, risk-based authorisation process and must demonstrate that their governance, resources, systems, controls, and proposed conduct satisfy the applicable regulatory principles. The GFSC may require meetings, interviews, systems testing, or other verification appropriate to the application.

Providers of cryptocurrency services that do not store or transmit value, and are not otherwise brought within the VAAP activity, may fall outside the DLT Regulations but remain subject to registration under the POCA Registration Regulations. Specified businesses include undertakings that receive proceeds from the sale of tokenized digital assets using DLT or similar technology. DLT Providers and VAAPs authorised by the GFSC are exempt from separate POCA registration.

The GFSC is the supervisory authority responsible for the authorisation and ongoing supervision of DLT Providers and VAAPs, as well as for AML/CFT registration of VASPs under the POCA Registration Regulations. There is no separate digital asset regulator or split of responsibility between multiple bodies, which continues to provide firms with a single point of regulatory engagement in Gibraltar.



Conduct, prudential and market regulation

Firms authorised under the DLT framework are subject to ten principles derived from traditional financial services regulation and summarised as follows:

1. Honesty and integrity.
2. Customer care.
3. Financial capital requirements.
4. Risk management.
5. Protection of client assets.
6. Corporate governance.
7. Systems and security access.
8. Financial crime.
9. Resilience.
10. Market integrity.

Once authorised, DLT Providers and VAAPs are subject to ongoing supervision, including regular meetings, reporting, and inspections.

For DLT Providers, prudential requirements include segregation and safeguarding of client assets, daily reconciliations, and maintenance of sufficient regulatory capital to facilitate sound operations and an orderly wind-down if necessary. Capital requirements are risk-based and tailored to the size and complexity of the business. Monthly regulatory returns must be submitted to the GFSC.

The GFSC has indicated that the principles are applied to VAAPs according to the nature of their activities. In particular, the customer-asset principle is not applicable where a VAAP does not hold customer assets, while the relevance of the market-integrity principle depends on the firm’s business model. This proportionate, outcomes-focused application of the principles is consistent with the GFSC’s approach of tailoring conduct and prudential expectations to the actual risk posed by a firm’s activities, rather than imposing a uniform standard irrespective of business model.

Gibraltar (continued)



Digital money

Gibraltar does not operate a bespoke licensing regime specifically for stablecoins, tokenized deposits, or other digital money instruments. The regulatory treatment of stablecoins and other digital-money instruments depends on their legal and operational characteristics. An instrument may constitute electronic money or a financial instrument; alternatively, related storage, transmission, exchange, or arrangement activities may fall within the DLT Regulations or POCA registration frameworks.



Tokenization and digital capital markets

Gibraltar has taken a significant step in placing fund tokenization on a statutory footing. The Protected Cell Companies (Amendment) Act 2026, effective from 30 July 2026, amends the Protected Cell Companies Act 2001 to allow Gibraltar EIFs structured as a PCC to issue, register, and transfer fund shares on a distributed ledger.

Under the Act:

- A Gibraltar EIF structured as a PCC may issue its shares in tokenized form, subject to prior GFSC approval.
- A PCC issuing share tokens must maintain the relevant cell's register of members on a DLT share register.
- A transfer recorded on the DLT share register may constitute a valid transfer of the underlying cell share where the statutory conditions are satisfied. These include company consent, custodial arrangements, compliance with the ledger rules, the fund's offering document and articles, applicable investor-eligibility requirements, and transfer to a verified, allow-listed wallet address.
- Individual cells within an EIF PCC may each issue their own tokenized shares, preserving the ring fencing that is central to the PCC structure, but if any shares in a cell are tokenized, then all shares in that cell must be tokenized.



Implementation and outlook

Gibraltar's regulatory framework is expected to continue evolving as the authorities assess the extended DLT regime and the new framework for tokenized fund shares. Further guidance and legislative refinements are likely to focus on keeping the regulatory perimeter responsive to emerging business models and international developments.

This flexible, principles-based approach should allow Gibraltar to address areas such as decentralised finance (DeFi) and smart contracts while maintaining regulatory stability and proportionate supervision.

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Hong Kong SAR



Regulatory strategy and roadmap

Hong Kong SAR continues to develop its regulatory framework for virtual assets (VA) through the advancement of existing regimes, including initiatives supporting tokenized finance and digital market infrastructure. The key policy developments shaping Hong Kong SAR's virtual asset agenda include:

ASPIRe framework by the Securities and Futures Commission (SFC): Structures its regulatory approach around five pillars: Access, Safeguards, Products, Infrastructure, and Relationships. It is SFC's virtual asset market development roadmap and has informed several regulatory initiatives introduced in 2026. The framework is made up of 12 initiatives such as licensing regimes for over-the-counter (OTC) trading and custody, adaptive compliance frameworks, expanded product offerings targeting professional and retail investors, enhanced market surveillance, and investor education programmes.

LEAP framework by the Financial Services and the Treasury Bureau (FSTB): Complements ASPIRe by emphasising legal and regulatory streamlining, advancement in tokenization, development of cross-sectoral collaboration and financial ecosystem growth.

Project Ensemble: a new wholesale central bank digital currency (wCBDC) project led by the Hong Kong Monetary Authority (HKMA). The project has tested and confirmed the role of a wholesale CBDC as the risk-free settlement layer for on-chain transactions involving tokenized assets. As of October 2026, Project Ensemble has progressed to the Ensemble TX pilot, moving from a wCBDC sandbox initiative to operating real-value transactions with tokenized deposits and digital assets via delivery-versus-payment (DvP) settlement. Project Ensemble aims to create a unified and interoperable financial market infrastructure that connects diverse tokenized assets issued across different platforms to be settled seamlessly.



Regulatory perimeter and authorisation

Hong Kong SAR's regulatory framework for VA and related activities has seen rapid evolution, rooted in a principle-based approach that integrates existing securities, commodities, and anti-money laundering (AML) legislation with dedicated digital asset regimes.

Securities and Futures Ordinance (SFO)

The SFO is the primary legislation governing assets that constitute securities or futures contracts. Virtual asset trading platforms (VATPs) must obtain licences from the SFC under the SFO for dealing in or advising on securities and operating automated trading services involving such assets.

Non-securities virtual assets

Assets not classified as securities, such as utility tokens, generally fall outside the SFO and are primarily subject to AML/CFT (counter-financing of terrorism) supervision under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO).

Stablecoins

The Stablecoins Ordinance establishes a licensing regime for specified stablecoin issuers and a statutory framework for regulated stablecoin activities, under HKMA supervision. HKMA published licensing guidance and AML/CFT requirements, operationalising the stablecoin licensing regime and, in April 2026, granted the first stablecoin issuer licences.

Hong Kong SAR (continued)



Conduct, prudential and market regulation

The SFC is empowered by the AMLO to be the primary regulator of VA activity in Hong Kong SAR. In 2026, the SFC has published several circulars on the VA licensing regimes to expand products and services offerings.

Virtual asset trading platforms

In February 2026, the SFC issued a circular under the ASPIRe roadmap establishing a framework that permits Affiliated Market Makers (AFMMs) to engage in market making on a licensed VATP, whilst abiding by regulatory safeguards. These safeguards include independent operation of the affiliated market maker, information barriers, and data controls. This measure is intended to enhance liquidity and facilitate market activity on licensed VATPs.

Virtual asset dealing and custody

In May 2026, the SFC and FSTB finalised a dual licensing regime under AMLO that introduced specific licensing requirements for Virtual Asset Dealing Service Providers (VADPs) and Virtual Asset Custodian Service Providers (VACPs).

VADPs arrange, broker, or execute crypto transactions for clients, and under the regime will need to obtain a licence and comply with regulatory requirements to continue to do so. Additionally, existing Type 1 (Dealing in Securities) licensed entities may apply for a VA uplift from the SFC under the SFO.

VACPs are responsible for safeguarding client virtual assets. The regime addresses the associated risks such as loss and misuse of the assets. Others able to provide VA custody services are associated custodians of a licensed VATP (which must be a wholly-owned subsidiary and holding a Trust or Company Services Provider (TCSP) Licence) and HKMA-regulated Authorised Institutions, such as banks.

Virtual asset perpetual contracts

Under the ASPIRe roadmap, the SFC has published frameworks under which licensed virtual asset trading platforms may offer perpetual contracts to professional investors. These are a form of financial contract that do not have a fixed expiry date, which allows the holders to gain exposure to an asset's price fluctuations. To minimise risk, the framework has requirements that cover margin, collateral requirements, and market surveillance. Margin collateral is generally limited to HKMA-regulated stablecoins or tokenized deposits.

VA advisory and VA management

As of September 2026, FSTB and the SFC are finalising legislative proposals regarding licensing regimes for VA advisory and VA management providers, aiming to introduce the bill into the Legislative Council by the end of the year. The regimes align with the SFO's approach of licensing securities advisory (Type 4), asset management (Type 9) and dealing (Type 1) activities separately, enabling uniform treatment under the 'same business, same risks, same regulations' principle.

Hong Kong SAR (continued)



Digital money

HKMA is the primary authority responsible for licensing, supervising, and regulating all activities related to the issuance and management of fiat-referenced stablecoins in Hong Kong SAR.

Stablecoin issuers in Hong Kong SAR must obtain a licence from the HKMA and comply with thorough licensing requirements around localisation, reserve asset management, issuance, governance, fit and proper requirements, prudential and risk management, audit and AML, onboarding and token monitoring.

The circular on provision of stablecoins published in May 2026 introduced Relevant Stablecoins. Relevant Stablecoins are coins that are considered 'specified' Stablecoins and are issued by an entity licenced under Cap.656 (SO) and are authorised under that licence. This distinction between a Stablecoin (general term) and a Relevant Stablecoin (licenced assets) was made because the SFC classifies Relevant Stablecoins as having a differing risk compared to other virtual assets, requiring regulatory oversight, backing and redemption arrangements, and HKMA supervision resulting in differentiated regulatory treatment compared to other virtual assets. This allows the SFC to relax certain requirements that would usually be crucial for VA license holders to meet.



Tokenization and digital capital markets

The Circular on Tokenization of SFC-Authorised Investment Products permits the tokenization of investment products, subject to existing authorisation requirements and additional tokenization-specific safeguards. The SFC has maintained that tokenization does not alter the nature or regulatory status of the underlying product. The framework also supports primary dealing of tokenized investment products and, through the companion Circular on Secondary Trading of Tokenized SFC-Authorised Investment Products, permits secondary trading on SFC-licensed platforms.

In the Circular published in May 2026, the SFC revised its framework to allow SFC-authorized funds with exposure to VA to obtain both direct exposure to virtual assets traded on SFC-licensed VATPs and indirect exposure through regulated investment products. The September 2026 Policy Address further stated that the regulatory framework for tokenized investment products will be enhanced to facilitate the issuance and trading of tokenized products linked to gold and other suitable real-world assets on licensed platforms, alongside other innovative tokenized products.

The SFC has consistently maintained that tokenized securities are fully subject to existing securities laws, maintaining that the blockchain-based issuance and trading mechanisms do not alter the instruments' regulatory status.



Implementation and outlook

- Streamlining of digital asset regulation across VATPs, stablecoin issuers and VA service providers
- Expansion of tokenized products, including government bonds, real-world assets and secondary trading of exchange-traded funds
- Further integration of regulated stablecoins and tokenized deposits into Hong Kong SAR's financial ecosystem.

Hong Kong SAR (continued)

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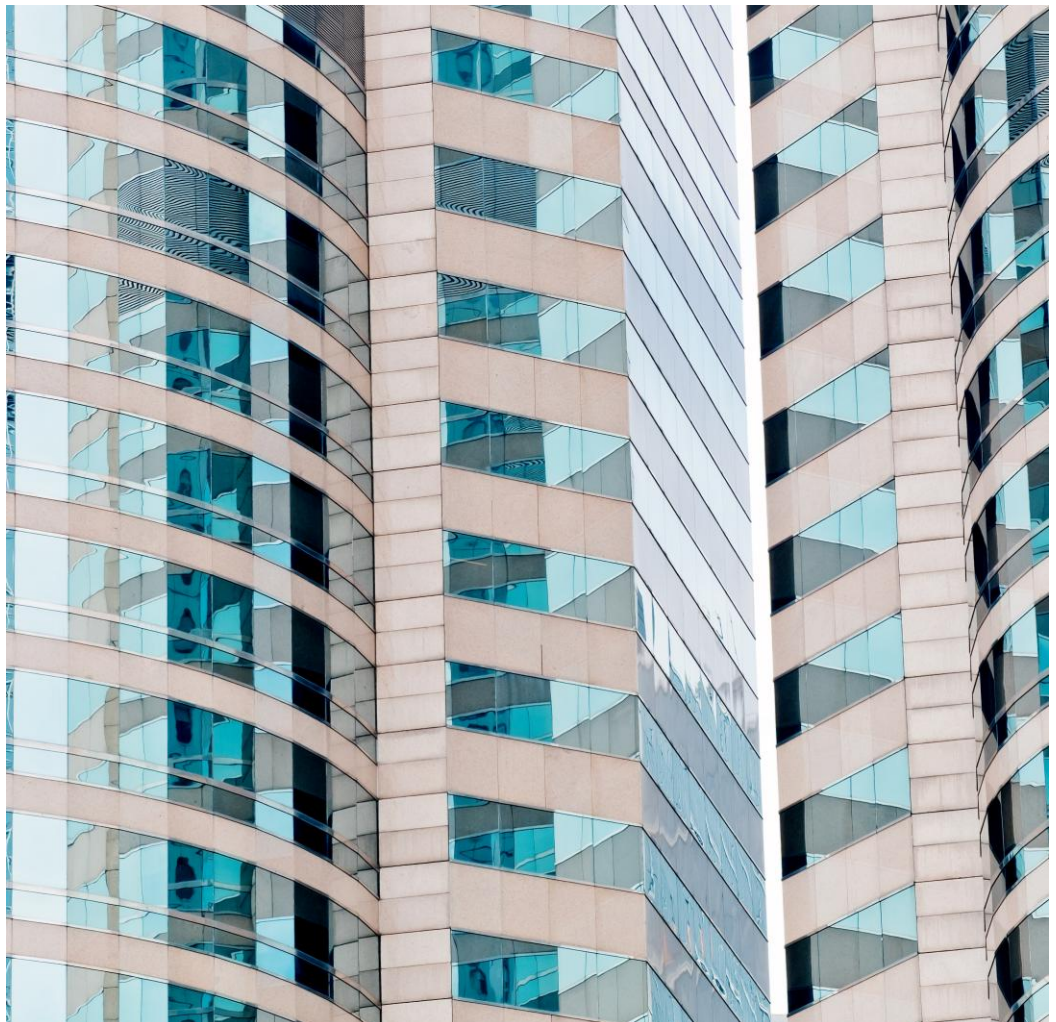
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India



Regulatory strategy and roadmap

India does not have an overarching regulatory regime for Virtual Digital Assets (VDA). Instead, VDAs are subjected to certain reporting requirements from an anti-money laundering (AML) and company law standpoint, as well as certain tax obligations. Thus, in India, while a VDA platform and dealings thereon by users are subjected to certain regulatory requirements, a market licence that provides its users with the protections that come with a regulated exchange does not exist.

The requirements have increased under other laws even without a dedicated statute that regulates VDA and the platform attendant to it as a whole. The tax law serves as the guiding definition for VDAs in India. The Prevention of Money Laundering Act, 2002 (PMLA) is applicable to VDA service providers. A Parliamentary Standing Committee on Finance was constituted in 2025-26. The Standing Committee noted the Indian Government's position that crypto-assets including VDA are unregulated at present (barring taxation, AML, etc. requirements) and any regulatory framework for crypto-assets would need both domestic and international coordination first.

The aforementioned Committee Report recommended that the Government examine whether a statutory and regulatory framework for VDAs is needed, and suggested that recognised self-regulatory organisations (SRO) could operate under a designated regulator. The Committee suggested that the future framework could consider prescribing minimum standards for governance, transparency, disclosure, investor protection, grievance redressal, and oversight. It does not designate the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), or another authority as the designated regulator.

Historically, RBI imposed a prohibition on dealing in virtual currencies in 2018, the Supreme Court struck the prohibition down in 2020, and AML/CFT oversight extended to the sector in 2023. None of them, however, has specified who gets to regulate issuance, trading, custody, or investor protection. Nevertheless, together, these developments illustrate an evolving approach comprising an initial banking restriction, judicial review of that restriction, tax measures and subsequently, AML/CFT regulation.



Regulatory perimeter and authorisation

Section 2(111) of the Income-tax Act, 2025, defines a VDA as any information, code, number or token, not being Indian or foreign currency, generated through cryptographic means or otherwise, that provides a digital representation of value exchangeable with or without consideration, carries an inherent value or functions as a store of value or unit of account, and can be transferred, stored or traded electronically. This serves as the guiding definition for most of the regulations in India.

The definition expressly extends to crypto-assets. Further, the Government retains the power to notify exclusions. This carries over, in substance, the definition originally introduced as section 2(47A) of the Income-tax Act, 1961 by the Finance Act, 2022. Both versions carve out central bank digital currency (CBDC) by definition. The digital rupee is currency, not a VDA, so it sits outside this perimeter entirely.

The securities analysis remains technology neutral. A tokenized representation of an existing security, such as a share, bond, or unit of an investment scheme, continues to be a security. A VDA that does not meet the statutory characteristics of a security or derivative may remain outside the securities perimeter. Classification therefore is determined by the rights and activity involved, not the label "token".

In October 2025, the Madras High Court held, at an interim stage, that cryptocurrency is property capable of being owned and held in trust. The Court also endorsed the view, taken earlier by the Bombay High Court, that platforms holding crypto assets for users hold them in trust and may owe fiduciary duties to those users. The ruling arose from an arbitration-related dispute and is a fact-specific interim order; it does not amount to a statutory classification of crypto assets in India.

India (continued)

Specified VDA services entered the PMLA perimeter in March 2023. Onshore and offshore providers serving Indian users must register with Financial Intelligence Unit-India (FIU-IND) as reporting entities; the test is activity-based and does not depend on physical presence. FIU-IND has identified multiple entities that cater to Indian users but have not been registered with FIU-IND. On 1 October 2025, FIU-IND issued notices under section 13 of the PMLA to 25 such offshore VDA service providers. The Ministry of Finance announced the action.

It may be noted that registration with FIU-IND establishes AML/CFT reporting status and not an overarching license/authorisation or a product approval or assurance against loss.

Indian Corporate Law also mandates disclosures in the financials. With effect from 1 April 2021, the Ministry of Corporate Affairs amended relevant provisions of the Companies Act, 2013 requiring any company that trades or invests in cryptocurrency during any year to disclose the resulting profit or loss, the amount held as of the reporting date and any deposits or advances taken for crypto trading or investment in its financial statements.

AML/CFT and financial crime controls:

FIU-IND updated its VDA-sector AML/CFT Guidelines on 8 January 2026. Virtual Digital Assets Service Providers (VDA SPs) must register with FIU-IND through the FINGate portal and comply with a governance framework that includes: obtaining KYC information on beneficial owners; maintaining records of wallet addresses and transaction hashes; submitting Suspicious Transaction Reports (STRs); appointing a Designated Director and Principal Officer; Client Due Diligence (CDD), Periodic CDD Updation, and Ongoing Due Diligence (ODD); effective transaction monitoring; and compliance with the FATF-derived Travel Rule for originator/beneficiary information on transfers.

The FATF's 2024 mutual evaluation placed India in regular follow-up while noting that implementation of preventive measures by Virtual Asset Service Providers (VASPs) and supervision of the sector remained at an early stage at that time.

Following FATF's 2024 mutual evaluation, India has taken measures to address risks associated with offshore VASPs. FATF's 2026 report highlighted measures including action against non-compliant offshore platforms, enhanced inter-agency coordination, and the use of the Sahyog portal to facilitate takedown requests relating to unregistered VASP websites.



Conduct, prudential and market regulation

No statutory conduct or prudential regulator has been designated for VDA exchanges in 2026. Accordingly, there is no dedicated market-conduct or prudential framework prescribing customer-facing disclosure, fee transparency, governance standards, segregation or safeguarding requirements, or investor/customer recourse mechanisms for VDA platforms. Registration with FIU-IND is limited to AML/CFT reporting and supervisory requirements and does not constitute a market license or provide the protections associated with a regulated exchange. As noted by the aforementioned Committee Report, crypto-assets remain unregulated beyond taxation and AML requirements, with the Committee recommending that the Government examine a statutory framework, including the possibility of recognised self-regulatory organisations operating under a designated regulator. The Committee did not designate SEBI, RBI, or any other authority as the regulator.

Sales and promotion:

There is no crypto-specific advertising law or code in India. The Advertising Standards Council of India requires VDA advertisements to carry a prescribed risk disclaimer and restricts claims suggesting regulated status, guaranteed returns or certainty about future performance. These controls reduce misleading promotion, but do not constitute a licensing regime or compensation framework.

India (continued)



Digital money

India has not introduced a dedicated regime for stablecoin issuance, reserve assets, redemption rights, or use in payments. Depending on the activity and instrument, the general AML rules may apply, but they do not supply a stablecoin-specific authorisation framework.

In its Financial Stability Report (issued in December 2025), the RBI stated that the macro-financial risks arising from stablecoins currently outweigh any claimed benefits and suggested that the preferred alternative is CBDC, which is not a privately issued stablecoin and should meet the legitimate use cases that stablecoins are intended to address.

The RBI is actively engaged in developing cross-border CBDC arrangements with other countries on a bilateral and multilateral basis. The RBI also launched a retail sandbox, enabling fintech firms to develop and test solutions as part of the continuing CBDC pilot. These initiatives show that the pilot now extends beyond basic payment use cases to programmability, offline functionality, retail innovation, wholesale settlement, and cross-border applications.

It may be noted that VDAs as defined under the Income-tax Act, 2025, which serves as the guiding definition for other regulations such as the AML and CFT exclude Indian currency, CBDCs, foreign currency, and notified digital assets.



Tokenization and digital capital markets

As such, there is no overarching regulation or policy directive governing tokenization. Reference to tokenization has been extensively made in the Standing Committee Report referred to above, where the Ministry of Finance has clarified as under but only in the context of any tokenized representation of an existing security, such as a unit of an investment scheme, bond, or share. It has been stated that such representation would fall within the scope of 'securities' under the Securities Contracts (Regulation) Act, 1956 and the Securities Markets Code, even where the form of record-keeping shifts to distributed ledger technology or a tokenized system.

In contrast, VDAs such as cryptocurrencies that do not fall within the definitions of 'security' or 'derivative' under the securities regulations and remain outside the purview of the definition of 'securities', notwithstanding their digital nature or the terminology used to describe them.

Separately, in February 2025, India's International Financial Services Centres Authority (IFSCA), the regulator for GIFT City established under the IFSCA Act, 2019, issued a consultation paper proposing a regulatory framework for real-world asset (RWA) tokenization, covering the issuance, custody, trading, clearing, settlement and risk management of digital tokens backed by underlying assets. The consultation paper has not been finalised as of October 2026.



Implementation and outlook

The immediate agenda is practical rather than legislative. The following developments merit close attention:

- Continued FIU-IND registration, supervision, and enforcement under the January 2026 AML/CFT Guidelines.
- The Government's response to the Standing Committee's proposed statutory framework and adoption of a possible interim SRO model.
- Further development and implementation of IFSCA's regulatory framework for real-world asset tokenization.

India (continued)

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India's approach to digital assets is evolving through parallel tracks, including AML/CFT oversight, CBDC experimentation and regulated tokenisation initiatives. Firms should focus on use cases that can develop within existing regulatory perimeters, while closely monitoring how policy, tax and supervisory expectations evolve.

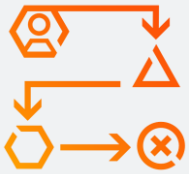
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Israel



Regulatory strategy and roadmap

Israel regulates cryptoassets and digital assets through existing, technology-neutral financial legislation, supported by a programme of dedicated reforms that remains in progress. The policy direction was set by a Ministry of Finance (MoF) principles paper in November 2022 and a Government Resolution in February 2023, which endorsed an activity-based approach spanning securities, non-bank financial services, payments, and anti-money laundering and counter-terrorist financing (AML/CFT).

Responsibilities are divided across several authorities. The Israel Securities Authority (ISA) supervises securities markets, offerings, intermediaries, and trading venues. The Capital Market, Insurance and Savings Authority (CMISA) licenses and supervises non-bank financial-service providers, including providers of services in virtual currency. The Bank of Israel (BoI) leads payments oversight and the digital shekel programme. The Israel Money Laundering and Terror Financing Prohibition Authority (IMPA) administers AML/CFT policy.

Two dedicated legislative workstreams are active. A draft Virtual Assets Bill prepared by an interministerial committee in August 2024, proposing a unified regime for trading, custody, staking, payments, and token issuance, had not been enacted as at October 2026, and its legislative timetable had not been confirmed. A dedicated stablecoin bill was published for public comment on 30 June 2026.



Regulatory perimeter and authorisation

Under the Securities Law of 1968, digital assets that confer rights similar to shares, bonds, or units in collective investment schemes are classified as securities, on a substance-over-form basis. Such activities are subject to prospectus, disclosure, and licensing obligations supervised by the ISA. By contrast, tokens that are not securities (such as virtual currencies) are supervised as financial assets by the Capital Market, Insurance and Savings Authority, under the Supervision of Financial Services (Regulated Financial Services) Law of 2016 (RFS Law). The supervisory perimeter covers conversion, sale, custody, transfer, and payment services, which require licensing and compliance with ongoing conduct requirements and AML/CFT orders. These obligations also apply to foreign providers that actively direct their activity at Israeli residents. In May 2026, a Government bill, Amendment No. 18 to the Supervision Law, was submitted to the Knesset for a first reading. The amendment is intended to allow CMISA to grant a tailored and eased licence to a foreign provider already supervised under an adequate foreign regime (such as the EU MiCA regulation), subject to defined conditions. In parallel, dedicated legislation for stablecoins is being advanced, while the draft consolidated Virtual Assets Bill has not yet matured into final legislation.



Conduct, prudential and market regulation

Providers authorised under the RFS Law are subject to fitness and propriety, governance, financial resilience, safeguarding, and operational requirements set and supervised by CMISA, including client-asset segregation. Where a token functions as a security, ISA rules on disclosure, market integrity, and investor protection apply, and the ISA has emphasised clear risk disclosure for retail-facing products.

AML/CFT obligations apply under the Prohibition on Money Laundering Law of 2000 and the IMPA order for providers of services in a financial asset, which was extended to virtual-currency activity with general effect from 14 November 2021. Obligations include customer due diligence, risk profiling, ongoing monitoring, record-keeping for at least five years, screening against terrorism and proliferation-financing lists, and reporting of unusual activity to IMPA. The order also addresses originator and beneficiary information for virtual-currency transfers under section 7A; while enacted, the specific Travel Rule transmission requirement under section 7A(b)(2) is subject to a separate commencement mechanism and has not yet entered into force in practice as at October 2026, pending implementing instructions.

Israel (continued)



Digital money

Banks may process virtual-currency-related transactions on a risk-based basis. The Supreme Court decision in a case between a licensed Israeli exchange and an Israeli bank (February 2019) established that bank risk management must be proportionate and case-specific, a principle reflected in the Bol Proper Conduct of Banking Business Directive 411, section 87A. Following a public consultation launched in July 2026, the Bol finalised the amendments to section 87A on 7 October 2026. The amendments are intended to facilitate the deposit of funds derived from virtual-currency activity through a more proportionate, risk-based approach and will enter into force on 1 May 2027.

The Bol has not decided whether to issue a digital shekel. It published a Preliminary Design for the Digital Shekel System in March 2025 and a 2025 Progress Report in May 2026. The design describes a two-tier, multipurpose model covering retail and wholesale use, with privacy-by-design, holding limits, offline functionality and interoperability with regulated digital-asset platforms. Work in 2026 focuses on prioritisation, detailed design and an issuance roadmap, and the project team is due to submit a recommendation to the Governor towards the end of 2026. This activity is research and design; it is not a pilot production system or an issuance commitment. The Bol has also participated in international experiments, including Project Sela with the Bank for International Settlements (BIS) Innovation Hub (September 2023).

On stablecoins, CMISA approved a shekel-pegged stablecoin issued by a licensed provider in April 2026, following a two-year regulatory sandbox pilot, with reserves backed on a 1:1 basis and held in Israel in dedicated and segregated accounts. This is a product-level approval under existing supervisory tools rather than a dedicated statutory regime.

On 30 June 2026, the MoF and CMISA published for public comment the draft Supervision of Financial Services (Issuance of Stablecoins) Bill, 5786-2026. The draft proposes a CMISA licensing regime for stablecoin issuers, backing by low-risk liquid reserve assets at no less than 100 per cent held in segregated accounts, fee-free redemption rights, a Hebrew disclosure document, corporate-governance requirements, licensing of foreign issuers supervised abroad, and a prohibition on paying interest to holders. A separate memorandum for stablecoins with significant monetary or financial-stability implications was expected. The draft remained subject to public consultation and the Knesset legislative process, and its enactment timetable had not been confirmed as at October 2026.



Tokenization and digital capital markets

The ISA applies the existing securities framework to tokenized instruments on a technology-neutral basis, with intermediaries and venues subject to licensing, disclosure, and market-integrity obligations. In 2023, the MoF and the national stock exchange piloted the issuance, distribution, and settlement of tokenized government bonds on distributed ledger technology (DLT) under Project Eden, with institutional participation. TASE subsequently expanded its digital-asset infrastructure work and participated in an international industry working group on tokenization.

Market-infrastructure initiatives continue to explore DLT-based clearing, settlement, and programmable workflows, and authorities have identified on-chain settlement money, whether a future central bank digital currency or a regulated stablecoin, as an enabler of delivery-versus-payment. Wider commercialisation depends on legal certainty and alignment with prudential and payments oversight.

Israel (continued)



Implementation and outlook

- Government stablecoin bill: Published for public comment on 29 June 2026 under the title Supervision of Financial Services (Issuance of Stablecoins) Law, 5786-2026. It proposes a licensing regime, a 100 per cent backing requirement in liquid assets, a fee-free redemption right, a prohibition on paying interest, and a route for foreign issuers. Current status: Draft; subject to the continuation of the Knesset legislative process, timetable not confirmed. A separate memorandum is expected for stablecoins with systemic monetary implications.
- Local shekel-based stablecoin: Approved by CMISA in April 2026 following a two-year pilot. Current status: a supervised, operational product under existing supervisory tools, not under a dedicated statutory regime.
- Digital shekel (CBDC): The 2025 Progress Report was published in May 2026. A recommendation from the project team to the Governor of the Bank of Israel is expected towards the end of 2026. Current status: research and design stage; no issuance decision or move to production has been taken.
- Consolidated Virtual Assets Bill: Prepared by an interministerial committee in August 2024 and proposing a unified regime for trading, custody, staking and payments. Current status: Draft only; not enacted, and its legislative timetable has not been confirmed.
- Tailored licensing for foreign providers (Amendment No. 18 to the Supervision Law): A Government bill intended to allow CMISA to grant a tailored and eased licence to a foreign provider already supervised under an adequate foreign regime (such as MiCA), submitted to the Knesset for a first reading in May 2026. Current status: a bill under deliberation; not yet finally approved.
- Draft amendment to Bol Directive 411 (section 87A): A draft published for public comment in July 2026, intended to ease the acceptance of crypto-derived funds into the banking system by moving to a more flexible, risk-based approach. Current status: a draft under review.
- AML order: In force since 14 November 2021. Current status: implemented and binding in practice, except for the specific Travel Rule transmission requirement under section 7A(b)(2). While enacted as part of the broader Order, it has not yet entered into force in practice as at October 2026, pending implementing instructions.

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Japan



Regulatory strategy and roadmap



Regulatory perimeter and authorisation



Conduct, prudential and market regulation

Japan's policy on crypto-assets is undergoing a major shift toward promoting their use while simultaneously enabling investor protection and maintaining orderly markets, from both a regulatory and tax perspective.

Specifically, major crypto-assets such as Bitcoin are being defined as "financial instruments," with the application of the Financial Instruments and Exchange Act (FIEA), the lifting of restrictions on bank participation, and the strengthening of disclosure requirements on the regulatory side.

Regulation of blockchain-related digital assets falls into three categories:

- **Crypto assets:** Issuance, intermediation, and custody are regulated under the Payment Services Act (PSA), which requires a license as a 'crypto asset exchange service provider'.
- **Stablecoins:** Stablecoins denominated in legal currency are regulated as a distinct category from 'crypto assets'. Because of the reference to legal currency, issuance is governed under existing 'funds transfer' frameworks and requires a licence under the Banking Act or the Payment Services Act (PSA). Intermediation and custody of such stablecoins require a license under the PSA as an 'electronic payment instruments services provider'.
* Stablecoins denominated in crypto assets or algorithmic stablecoins may be treated as 'crypto assets' from a Japanese regulatory perspective.
- **Security tokens:** Tokenized securities are regulated under the FIEA, similar to traditional securities. However, tokenization can increase liquidity, and therefore, certain requirements are correspondingly more stringent than those applicable to traditional securities.

Other blockchain-related digital assets, including utility tokens and non-fungible tokens (NFTs), require a fact-specific assessment to determine whether, and how, regulation applies based on their structure and use case.

Japan sees fundamental changes in financial regulations applicable to crypto assets. In July 2026, Japan enacted major amendments to migrate crypto asset regulation from the PSA to the Financial Instruments and Exchange Law (FIEL). The reforms address the evolution of crypto assets from payment instruments to investment products, responding to increased retail and institutional participation and international regulatory developments (e.g., International Organization of Securities Commissions (IOSCO) recommendations, EU legislation). The amendment to FIEL will come into force by July 2027.

1. Crypto assets defined as a distinct financial instrument

Crypto assets will be regulated under the FIEL as a separate category from securities. A new subcategory "specified crypto-assets" covers tokens with identifiable issuers (e.g., initial exchange offering (IEO) tokens). Former "crypto asset exchange services" are redesignated as "crypto asset trading business" under the FIEL framework.

2. Enhanced ICO/IEO disclosure requirements

Issuers of specified crypto assets must disclose prescribed information (token characteristics, technology, risks, issuer details, use of proceeds) before public offerings. Ongoing periodic and ad hoc disclosure obligations apply post-issuance. Financial statements require independent audit certification. False disclosure triggers strict liability, criminal penalties (up to 10 years' imprisonment), and administrative surcharges.

Japan (continued)



Digital money

3. Securities company level regulations for crypto exchanges

Crypto asset trading businesses are subject to regulations equivalent to Type I Financial Instruments Business Operators (securities companies). Key requirements include: mandatory regulatory reserves proportionate to transaction volume (including for cold-wallet assets), capital adequacy ratios, business management systems (token screening, suitability checks, trade surveillance), sales representative registration, and custody duties. Penalties for unregistered operators increased to 10 years' imprisonment / ¥10 million fine.

4. Insider trading prohibition with surcharges

Japan's first statutory insider trading regime for crypto assets has been introduced. It applies to crypto-assets traded on domestic licensed exchanges. Material non-public information includes issuer decisions (technical changes, new offerings, partnerships), exchange decisions (listing/delisting, security incidents), and large-volume trading plans (20%+ threshold expected). Insiders and information recipients are prohibited from trading before public disclosure. Violations carry up to 5 years' imprisonment / ¥5 million fine, plus administrative surcharges. Anti-manipulation and paid-endorsement disclosure rules also apply.

- **Anti-Money Laundering (AML) and Counter-Terrorist Financing (CFT):** The "Travel Rule" requirements, which mandate crypto-asset service providers (CASPs) to share identifying information about the sender and recipient during transfers, were fully enforced in June 2023 and continue to be a focus. The scope is limited to transfers involving jurisdictions with equivalent regulations. Further, the Financial Services Agency (FSA), the regulator of supervising financial institutions including the CASPs, released its Discussion Paper on "Issues and Practices for Dialogue on Validation of Effectiveness of AML/CFT Frameworks" in March 2025. The Discussion Paper requires financial institutions to scrutinise and validate that their AML/CFT programmes are functioning as intended.
- **Stablecoins:** The legal framework for stablecoins, established in June 2022, is fully in effect, allowing only licenced banks, fund transfer service providers, and trust companies to issue them. A registered crypto-asset exchange service provider became the first to register for stablecoin handling under this framework.
- **Regulatory Approach:** The FSA is actively working to balance robust user protection and risk management (cybersecurity, fraud) with a national strategy to promote Web3 innovation.

The core of Japan's stablecoin regulation, primarily governed by the Payment Services Act (PSA), includes:

- **Legal classification:** Fiat-backed stablecoins (pegged to the value of legal fiat currency and redeemable at face value) are legally defined as "Electronic Payment Instruments" (EPIs). Non-fiat-backed stablecoins are generally classified as crypto-assets or securities depending on their structure.
- **Permitted issuers:** Only licenced banks, registered fund transfer service providers, and trust companies are permitted to issue EPIs directly to Japanese residents.

Reserve requirements: Issuers must facilitate redemption and hold reserves in safe, highly liquid assets. A key 2025 amendment to the PSA has provided flexibility, allowing issuers of trust-type stablecoins to hold up to 50% of reserves in low-risk assets like government bonds or redeemable term deposits, rather than exclusively demand deposits, to enhance international competitiveness.

- **Intermediaries:** Entities that act as intermediaries (buying, selling, exchanging, providing custody) for stablecoins must register with the FSA as Electronic Payment Instruments Business Providers (EPIBPs) and comply with the same regulations as crypto-asset exchange service providers, including robust AML/CFT and user-protection measures.

Japan (continued)



Implementation and outlook

- **Travel rule:** Japan has implemented the Financial Action Task Force (FATF) recommended "Travel Rule", requiring service providers to share customer information for transfers between jurisdictions with equivalent regulations.
- **New brokerage category (2025 Amendment):** A 2025 amendment introduced a new, lighter brokerage category for entities that only mediate crypto-asset transactions without holding user assets, aiming to lower barriers to entry and promote new services.

- The FSA will examine the effectiveness of AML/CFT frameworks through dialogue with financial institutions and/or inspection during 2025/2026.
- The change of crypto asset regulations from the PSA to the FIEL is assumed to lead to the taxation rules of crypto assets becoming the same as those for current financial instruments, i.e. a separate income tax, which is preferable to the investors in crypto assets.

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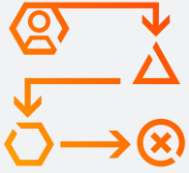
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Jordan



Regulatory strategy and roadmap

Jordan's approach to virtual assets (VAs) and financial innovation sits within the Economic Modernisation Vision 2033 and its Executive Programme. The Central Bank of Jordan (CBJ) supports this agenda through its Fintech Vision and the National Strategy for Electronic Payments. Both seek to position Jordan as a regional hub for fintech and to support the transition to a cashless digital economy, while preserving financial stability and consumer protection.

This support for financial innovation developed alongside more than a decade of restrictions on crypto assets. The CBJ issued successive warnings barring banks and payment institutions from dealing in, or facilitating transactions involving, VAs. The Jordan Securities Commission (JSC) separately prohibited licensed financial services companies from providing VA services until a dedicated legal framework was adopted.

Jordan's position has shifted from prohibition to licensed activity with the adoption of the VA Law in 2025. The Law Regulating Dealings in Virtual Assets No. (14) of 2025 (VA Law) provides the statutory foundation. In 2026, the virtual asset service provider (VASP) Licensing Regulation No. (94) of 2025 (Licensing Regulation) came into force. In the same year, the JSC published draft Executive Instructions for Virtual Assets Activities (Draft Instructions) for public consultation. The JSC prepared the Draft Instructions with the CBJ, the Anti-Money Laundering and Counter Terrorist Financing Unit (AML/CFT Unit), the National Cyber Security Center and the Ministry of Digital Economy and Entrepreneurship (MoDEE). The framework is therefore a coordinated national effort rather than a single-regulator initiative.



Regulatory perimeter and authorisation

Jordan has a single onshore VA perimeter, with no financial free zone regime. Supervision is divided between the JSC and the CBJ. The VA Law does not cover digital securities or digital currency issued by the CBJ. Tokenized securities therefore remain under the securities framework, and central bank money remains with the CBJ. The principal regulatory authorities are as follows:

- **JSC:** The JSC licenses, supervises and inspects virtual asset service providers (VASPs), including their AML/CFT compliance. The Licensing Regulation sets out four licence categories: platform operation, custody, brokerage, and services related to VA offerings. Applicants may be public or private shareholding companies, limited liability companies, or branches of foreign companies licensed in their home jurisdiction. In each case the corporate purpose must be limited to VA activities. Licensing has two stages, preliminary approval followed by a final licence.

In 2026, the JSC made an online application form for preliminary approval available. The regime also captures foreign providers offering VA services to clients in Jordan.

- **CBJ:** Banks and other CBJ-supervised institutions may provide VA exchange and custody services with the CBJ's prior approval. They remain under CBJ supervision when doing so. The CBJ also decides whether VAs may be used for payment in Jordan. In 2026, the CBJ's Regulatory Sandbox for Financial Technology and Innovation (JoRegBox) admitted VA infrastructure and trading firms. In 2026, a regionally licensed platform began offering VA trading and custody services to users in Jordan under CBJ supervision, in cooperation with the JSC. This represents the first supervised VA market activity in Jordan. Participation in the sandbox is, however, distinct from holding a VASP licence from the JSC.

Jordan (continued)



Conduct, prudential and market regulation

The Licensing Regulation sets prudential requirements according to the risk of each activity. Minimum paid-up capital ranges from JOD 500,000 for offering-related services to JOD 3 million for platform operation, and is cumulative for firms holding more than one licence. Financial guarantees are linked to the nature of the activities, transaction volumes and associated risks. Borrowing, lending to clients for VA trading, and offering VA contracts for difference each require the JSC's prior written approval. Client assets may not be used as collateral for the provider's own borrowing. The regime also sets requirements on governance and fitness and propriety, fair treatment of clients, complaints handling, marketing and outsourcing.

Client asset protection is set out in primary legislation rather than left to contract. The VA Law ring-fences client funds and VAs from the provider's creditors in insolvency and enforcement proceedings. This gives clients more legal certainty than contractual segregation alone may provide. VASPs are also part of the national AML/CFT framework. Every VA transfer is treated as cross-border for information-collection purposes, in line with the Financial Action Task Force (FATF) travel rule. Unlicensed activity carries criminal liability, including imprisonment.

In 2026, the JSC consulted on the Draft Instructions, which comprise 127 articles and would add detailed conduct and market-integrity rules. They propose that the JSC classify VAs as permitted, restricted or prohibited. Platforms would publish the classification and verify that each listed asset continues to comply. Privacy tokens designed to provide anonymity, algorithmic stablecoins without adequate reference assets, and any VA the JSC links to illicit activity would be prohibited.

Platform operators would be barred from proprietary trading and market making. Matched principal trading would be allowed only with prior client consent, simultaneous offsetting, no material market risk and monthly reporting to the JSC. Listing would require documented due diligence covering legal status, AML/CFT exposure, technology, disclosure and conflicts of interest. Operators would have to detect and report wash trades, spoofing, price manipulation and misuse of inside information. Further proposed requirements include:

- Settlement by end of day for off-chain transactions and within 24 hours for on-chain transactions;
- Daily reconciliation with custodians;
- A prohibition on reusing client assets without explicit prior consent; and
- Monthly reporting to the JSC within five working days.

The Draft Instructions also cover dealings with foreign VASPs for liquidity purposes. These would require the prior approval of the JSC Board and a counterparty regulated by a supervisory authority acceptable to the JSC.



Digital money

The use of VAs for payment remains under the CBJ's control. The VA Law allows the CBJ to permit the issuance or use of VAs for payment under its own instructions. Until it does so, VASPs may not use VAs, or facilitate their use, to settle payment for goods, services or financial obligations. Stablecoins may be traded through licensed VASPs, subject to asset eligibility requirements. They cannot be used for payment in Jordan unless the CBJ authorises it. The Draft Instructions would also exclude algorithmic stablecoins without adequate reference assets from licensed platforms.

Jordan has explored a central bank digital currency (CBDC) linked to the Jordanian dinar. Technical assistance from the International Monetary Fund has examined the case for a retail CBDC in Jordan, focusing on gaps in the retail payments market. The CBJ has not publicly confirmed a CBDC pilot or an issuance decision.

Jordan (continued)



Tokenization and digital capital markets

As of October 2026, Jordan does not have a bespoke regime for tokenized securities or tokenized real-world assets. The VA Law excludes digital securities and digital financial assets regulated by the JSC. Tokenized instruments that qualify as digital securities or other JSC-regulated financial assets therefore fall within the securities framework rather than the VASP regime. Other tokens are assessed under the VA Law according to their characteristics. The Licensing Regulation provides a route for innovation. In special and justified cases, the JSC may allow firms that have completed its regulatory sandbox to carry on VA activities while meeting the remaining licensing conditions in stages. This is a discretionary, conditional route towards licensing, not a substitute for a final VASP licence or an unrestricted commercial permission. The Draft Instructions would also require smart contracts used for on-chain settlement to undergo technical review and testing before deployment.



Implementation and outlook

Jordan's VA framework is moving from the development of legislation towards authorisation and supervised market activity. The JSC is expected to finalise the Executive Instructions for Virtual Assets Activities, which will set detailed operational, technical, governance and investor-protection requirements for licensed VASPs. With the Licensing Regulation in force and the preliminary approval process open, the first full VASP licences are expected to follow.

The CBJ's approval procedures for banks and payment institutions seeking to offer VA exchange and custody services remain to be published. Its position on the use of VAs and stablecoins for payment also remains to be set. The admission of VA firms to JoRegBox in 2026 indicates that the CBJ sandbox may support supervised testing while the JSC licensing regime becomes operational, although sandbox participation does not confer a VASP licence.

Coordination between the JSC, the CBJ, the AML/CFT Unit, the National Cyber Security Center and MoDEE is expected to continue across licensing, cyber resilience and financial crime controls.

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Kenya



Regulatory strategy and roadmap

The most significant regulatory development in Kenya was the publication of the Virtual Asset Service Providers Regulations, 2026 (the “Regulations”), which commenced on 22 July 2026 and operationalised the Virtual Asset Service Providers Act, 2025 (the “Act”). While the Act establishes the legal framework for licensing and regulating virtual asset service providers, the Regulations introduce detailed requirements governing licensing, governance, capital, consumer protection, cybersecurity, stablecoin issuance, tokenization, market conduct, and regulatory reporting. This marks Kenya's transition from a legislative framework to an operational regulatory regime for virtual assets.

The Regulations also introduced a more structured supervisory framework for virtual asset activities by prescribing the requirements applicable to different categories of virtual asset service providers and operationalising the allocation of regulatory responsibilities between the Central Bank of Kenya (CBK) and the Capital Markets Authority (CMA). As a result, businesses have greater clarity regarding licensing expectations, regulatory engagement, and ongoing supervisory obligations.

Existing virtual asset service providers are required to comply with the Regulations by 4 November 2026, making licensing readiness and compliance implementation immediate priorities.



Regulatory perimeter and authorisation

Kenya's virtual-asset framework adopts a dual-regulator model, with supervisory responsibility shared between the CBK and the CMA depending on the nature of the virtual-asset activity undertaken.

Under the allocation of regulatory functions, the CBK regulates and supervises virtual asset wallet providers, virtual asset payment processors, and virtual asset offering providers dealing with stablecoin issuance, while the CMA supervises other categories such as exchanges, brokers, advisers, managers, and certain token issuance activities.

The Regulations also establish a defined classification framework and a licensing regime for virtual asset service providers.

The framework clarifies which digital assets and activities fall within regulation, including wallet services, exchanges, payment processing, stablecoin issuance, tokenization activities, token issuance platforms, and virtual asset offerings. It also confirms that certain digital assets, including specified non-financial Non-Fungible Tokens (NFTs), virtual service tokens and qualifying closed-ecosystem assets, fall outside the licensing framework. This provides businesses with greater certainty regarding whether their products and activities are subject to regulation. Another development is the introduction of a more structured authorisation framework.

The Regulations set out defined licensing categories based on defined capital requirements. Further, tokenization providers and token issuance platforms are recognised as separate regulated activities. This creates clearer regulatory pathways for launching products and services while increasing regulatory oversight of activities involving public fundraising, trading infrastructure and customer assets.

The Regulations extend regulatory oversight to certain offshore providers targeting Kenyan consumers or deriving economic benefit from Kenya and introduce more detailed requirements relating to governance, ownership, financial resources, operational controls, and ongoing compliance. From a market perspective, this is expected to support the continued formalisation of the virtual asset sector by providing greater regulatory certainty for businesses, investors and other stakeholders operating within Kenya's virtual asset ecosystem.

Kenya (continued)



Conduct, prudential and market regulation

Regulatory compliance is now an enterprise-wide obligation encompassing governance, capital adequacy, consumer protection, market conduct, operational resilience, and cybersecurity. The requirement for local presence, capital maintenance, and consumer protection mechanisms may increase operating costs and raise barriers to entry for smaller or less mature operators. The Regulations also increase regulatory scrutiny over how virtual-asset products are marketed and distributed.

Firms can no longer rely on generic risk disclosures or informal promotional practices, as the framework now contemplates specific requirements relating to advertising content, risk warnings, performance disclosures, and consumer communications.

This may require firms to review existing customer onboarding, product disclosure, and marketing practices to facilitate compliance.

From a market perspective, however, the framework may provide greater legal certainty for institutional investors, financial institutions, and technology providers seeking to participate in Kenya's virtual-asset ecosystem. By establishing licensing pathways and allocating supervisory responsibility between the CBK and CMA, the regime may improve market confidence and support broader adoption of regulated virtual-asset products and services.



Digital money

Kenya's virtual assets framework offers clarity around the regulation of digital money.

Stablecoins, which previously operated without a dedicated licensing regime in Kenya, are expressly addressed in the Act and the Regulations.

The framework also recognises the role of digital-money solutions beyond traditional payment systems, including stablecoin-based payments, digital wallets, value-transfer services, and other blockchain-enabled mechanisms for storing and transferring value.

This regulatory development reflects Kenya's broader policy shift toward aligning virtual-asset regulation with international standards, including the FATF framework referenced in National Treasury policy materials.

On the central bank digital currency (CBDC) front, the CBK issued a CBDC Discussion Paper in 2022, and subsequent policy materials continue to refer to that discussion process and related technical work on crypto assets.

In addition, the framework introduces enhanced consumer-protection measures, including requirements relating to safeguarding customer assets, segregation of client funds, operational resilience, and other governance obligations intended to support trust and confidence in digital-money services.

The introduction of a licensing framework for stablecoin issuers and other virtual-asset service providers signals Kenya's move toward a more regulated digital-money ecosystem.

While the CBK's approach to a central bank digital currency remains exploratory, the new framework provides greater legal certainty for private-sector digital-money solutions, including stablecoin-based payment and value-transfer models.

Taken together, these developments support the emergence of a broader digital-money ecosystem in Kenya, encompassing both privately issued digital-value instruments and potential future sovereign digital-currency initiatives.

For market participants, this may create opportunities for innovation and adoption, albeit within a more stringent regulatory environment.

Kenya (continued)



Tokenization and digital capital markets

Kenya has a defined legal basis for tokenization under the Regulations, which treat tokenization as the conversion of real-world assets into digital tokens on distributed-ledger technology. The Regulations expressly provide for the tokenization of real-world assets and set licensing, issuance, disclosure, and listing requirements for tokenization activity. For the market, this creates a clearer route for firms to structure and launch tokenized investment products within a regulated framework, particularly in areas such as tokenized debt instruments, equity-linked interests, collective investment products and fractional interests in income-producing assets. The regime also draws clearer boundaries between tokenized assets, stablecoins, and initial coin offerings, which should improve legal certainty for issuers, platforms and investors.

From a market perspective, tokenization could support broader product development and wider investor participation by enabling smaller investment sizes and more efficient issuance and post-trade processes. This is particularly relevant for assets that have traditionally been difficult to divide, distribute, or trade, such as real estate, private-market instruments, infrastructure-linked assets, and other income-producing assets. The CMA's regulatory sandbox already provides a live testing environment for these models, including blockchain-enabled real-estate tokenization, which may help move viable use cases towards commercial launch. The market impact, however, will depend on whether tokenized products can be integrated with existing registries, depositories, custodians, and payment systems so that investors receive not only digital access, but also clear ownership rights, reliable settlement, and credible market infrastructure.



Implementation and outlook

Kenya's medium-term outlook is for staged implementation of the Act and the Regulations rather than immediate large-scale market expansion. The market is expected to become more formalised, with licensing standards and compliance costs limiting participation to firms that can meet higher governance, custody, and safeguarding requirements. The practical effect of the regime will depend on whether the CBK and the CMA can deliver efficient licensing, provide supplementary guidance where needed, and coordinate supervision across payments, custody, and securities-related activities. If implementation is effective, activity is likely to move from informal channels into a more stable regulated market for virtual asset services and tokenized products.

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Liechtenstein



Regulatory strategy and roadmap



Regulatory perimeter and authorisation

Liechtenstein's digital-asset framework is based on Regulation (EU) 2023/1114 on Markets in Crypto-Assets Regulation (MiCAR), the European Economic Area (EEA) MiCA Implementation Act (EWR-MiCA-DG), the Token and Trusted Technology Service Provider Act (TVTG), and general financial-market and anti-money laundering/countering the financing of terrorism (AML/CFT) law. MiCAR is directly applicable in Liechtenstein following its incorporation into the EEA Agreement on 24 June 2025. The MiCAR transitional period ended on 1 July 2026, and TVTG registrations expired as of 2 July 2026 for activities requiring MiCAR authorisation. The TVTG continues to govern token civil-law issues and residual Trusted Technology (TT) services outside MiCAR and outside financial-instrument regulation. Liechtenstein's crypto policy framework is implemented through MiCAR for in-scope crypto-asset markets and through the TVTG for TT systems and residual services outside MiCAR. The TVTG entered into force on 1 January 2020 and sets the legal framework for TT systems, including civil-law rules for tokens and rules on TT service providers. It applies alongside MiCAR only where the relevant tokens or activities remain outside MiCAR's scope. For in-scope crypto-asset services, firms must hold a MiCAR authorisation or qualify through the Article 60 MiCAR notification route. The supervisory framework differs by regime. TT service providers are not treated as financial intermediaries solely by virtue of TVTG registration, although due diligence obligations may apply. MiCA institutions are subject to authorisation, notification, reporting, external audit and enforcement mechanisms under the EWR-MiCA-DG.

Legal analysis starts with the token and the activity. MiCAR regulates offers to the public and admissions to trading of asset-referenced tokens, e-money tokens, and other crypto-assets, as well as crypto-asset services. The EWR-MiCA-DG defines a MiCA institution as a Liechtenstein entity authorised under Article 21 MiCAR to offer asset-referenced tokens or seek their admission to trading in the EEA, or authorised under Article 63 MiCAR to provide crypto-asset services. Crypto-asset service providers (CASPs) require an Article 63 MiCAR authorisation unless they are Article 60 MiCAR financial entities using the notification route. Article 60 financial entities include credit institutions, central securities depositories, investment firms, e-money institutions, UCITS management companies, alternative investment fund managers, and market operators. Crypto-asset services include custody and administration, trading platform operation, exchange, execution of orders, placing, reception and transmission of orders, advice, portfolio management, and transfer services. Passporting within the EEA is available to CASPs authorised under Article 63 MiCAR and to financial entities entitled to provide the relevant crypto-asset services under Article 60 MiCAR, in each case only for the services covered by their authorisation or notification and subject to completion of the cross-border notification procedure under Article 65 MiCAR.



Liechtenstein



Conduct, prudential and market regulation

The TVTG applies to residual TT services outside MiCAR. Token issuance under the TVTG is limited to public offerings of tokens outside MiCAR. VT custody under the TVTG is limited to TT keys or tokens that are outside MiCAR and are not MiFID II financial instruments. A business may therefore require TVTG registration for residual TT services, but not for MiCAR-regulated CASP activity after 2 July 2026. TVTG registration alone does not confer an EEA passport; cross-border provision of residual TT services must be assessed under the applicable rules of the destination jurisdiction. Crypto-assets that qualify as financial instruments under Directive 2014/65/EU on markets in financial instruments (MiFID II) are outside MiCAR. Such tokens may trigger prospectus, market abuse, investment-services, trading-venue, custody, and other sectoral rules. Product classification determines whether the relevant regime is MiFID II-derived financial-market law, MiCAR, the TVTG, or a combination of those frameworks.

NFTs require case-specific perimeter analysis. The exclusion under Article 2(3) MiCAR applies only to crypto-assets that are genuinely unique and non-fungible. Where the exclusion applies, relevant services may fall within the TVTG. A provider carrying on distinct activities may require MiCAR authorisation and TVTG registration for the respective activities. Depending on the business model and the token's features, authorisations may be required under both the MiCAR and TVTG frameworks. The assessment may also require analysis under MiFID II and AML/CFT rules.

For VT custodians under the TVTG, internal controls must address loss or misuse of TT keys, segregation of customer TT keys and tokens, customer allocation, sub-custody, business continuity, TT system suitability, and critical outsourcing. For MiCA institutions, the EWR-MiCA-DG requires notification to the Financial Market Authority Liechtenstein (FMA) of outsourcing of important tasks and immediate notification of loss of authorisation conditions or non-compliance with own-funds and prudential safeguards. MiCA institutions must file an annual report with the FMA within four months after the end of the financial year and submit further periodic reports for statistical and supervisory purposes.

MiCA institutions, banks, e-money institutions and Article 60 MiCAR crypto-asset service providers must have their MiCA business audited annually by an independent audit firm recognised by the FMA. They must appoint an FMA-recognised audit firm before commencing MiCAR activity. FMA Guideline 2026/1 on special statutory auditing and reporting covers the EWR-MiCA-DG and the EEA Digital Operational Resilience Act Implementation Act (EWR-DORA-DG) and applies for the first time to audits and reports for financial intermediaries whose financial year ends on or after 1 January 2026.

The Digital Operational Resilience Act (DORA) applies to MiCAR-authorised crypto-service providers and issuers of asset-referenced tokens. It covers information and communication technology (ICT) risk management, ICT-related incident handling, digital operational resilience testing, and ICT third-party risk management. In Liechtenstein, the domestic basis is the Digital Operational Resilience Implementation Act. Financial intermediaries within DORA's scope are exempt from FMA Guideline 2021/3 on ICT security.

AML/CFT obligations apply as a separate compliance layer. The Due Diligence Act (SPG) and the Due Diligence Ordinance (SPV) are Liechtenstein's national AML/CFT framework. The FMA due diligence guidance applies to obliged persons under Article 3(1) and 3(2) SPG and was last amended on 9 May 2025. It covers providers of crypto-asset services under Article 3(1)(r) SPG and operators of trading platforms for non-fungible tokens under Article 3(1)(t) SPG. Core due diligence duties include identifying and verifying the contracting party and beneficial owner, preparing a business profile and performing risk-adequate ongoing monitoring.

Liechtenstein (continued)



Digital money

The travel rule is implemented through Regulation (EU) 2023/1113 and the amended SPG framework. Amendments to the Due Diligence Act implemented Regulation (EU) 2023/1113 on information accompanying transfers of funds and certain crypto-assets.

Regulation (EU) 2023/1113 is listed among the EU and EEA legal acts relevant to AML/CFT, and the FMA due diligence guidance refers to EBA Guidelines EBA/GL/2024/11 under that regulation.

Asset-referenced tokens and e-money tokens are governed by MiCAR. A public offer of asset-referenced tokens (ARTs) or an application for their admission to trading is reserved to licensed credit institutions or persons authorised under Article 21 MiCAR. A public offer of e-money tokens (EMTs) or an application for their admission to trading is reserved to licensed credit institutions and e-money institutions. Stablecoin projects are therefore assessed first under MiCAR's issuer categories. For crypto-assets other than asset-referenced tokens and e-money tokens, MiCAR uses a disclosure model rather than issuer authorisation. Providers and persons applying for admission to trading must submit a MiCAR-compliant white paper to the FMA at least 20 working days before publication. The requirement also applies to crypto-assets offered to the public before 30 December 2024 if the offer continues beyond that date. The FMA acknowledges the white paper and enclosures but does not approve them.

Liechtenstein's monetary framework is based on the Swiss franc currency arrangements. Switzerland and Liechtenstein have been linked by a Currency Treaty since 1980, the Swiss franc is Liechtenstein's official currency, and the Swiss National Bank acts as Liechtenstein's central bank. Liechtenstein does not operate a separate domestic central bank digital currency policy.



Tokenization and digital capital markets

For tokenized finance, the TVTG's civil-law rules are relevant where tokens represent shares, debt, claims, fund interests or other rights. A tokenization service provider is a person who brings tokens into circulation for clients and facilitates the legal and technical requirements for effective representation and transfer of rights through tokens against third parties. The TVTG provides a damages claim where loss results because a token does not meet those legal or technical requirements. Tokenized financial instruments remain outside MiCAR and within the traditional securities and market-infrastructure perimeter. The DLT Pilot Regime provides a legal framework for trading and settlement of crypto-assets that qualify as MiFID II financial instruments. MiCA does not cover tokenized deposits or securities, which remain subject to existing banking and securities legislation. Tokenization does not remove an instrument from prospectus, MiFID II, market abuse, custody, trading-venue or settlement requirements. Under the DLT Pilot Regime, however, eligible DLT market infrastructures may obtain specific, conditional exemptions from certain MiFID II, MiFIR and CSDR requirements, notably trading-venue and settlement requirements, subject to regulatory permission. The DLT Pilot Regime permits eligible market infrastructures to test tokenized securities trading and settlement under targeted exemptions. Eligible infrastructures include DLT multilateral trading facilities, DLT settlement systems and combined DLT trading and settlement systems. Tokenized finance projects may therefore require analysis under the TVTG, MiFID II-derived law, prospectus law, market abuse rules, MiCAR, DORA and AML/CFT legislation.

Liechtenstein (continued)



Implementation and outlook

Implementation is now focused on ongoing compliance rather than transitional migration. In-scope crypto-asset service providers must maintain MiCAR authorisation or a valid Article 60 MiCAR notification position, while residual TT service providers remain within the TVTG where their activities fall outside MiCAR. Liechtenstein-based CASPs authorised under Article 63 MiCAR and eligible financial entities relying on Article 60 MiCAR may provide the crypto-asset services covered by their respective status across the EU and EEA, subject to compliance with the cross-border notification procedure under Article 65 MiCAR. TVTG registration alone does not confer such passporting rights. Diligence on Liechtenstein counterparties should focus on the provider's authorisation or Article 60 status, the services covered and the relevant cross-border notifications, using the ESMA MiCAR register or the FMA register and supporting documentation as appropriate.

Authors



Liechtenstein now has MiCAR sitting alongside the established TVTG framework. Firms need to be clear on which activities fall under each regime and how passporting works across the EEA, particularly for custody, tokenized assets and cross-border activity.

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Mauritius



Regulatory strategy and roadmap

Mauritius has established a dedicated legislative framework for virtual assets and initial token offerings. The Virtual Asset and Initial Token Offering Services Act 2021 (VAITOS Act), proclaimed in February 2022, provides the primary legislative basis for the licensing, supervision and regulation of virtual asset service providers (VASPs) and issuers of initial token offerings (ITOs). The Financial Services Commission (FSC) serves as the sole regulatory and supervisory authority for virtual asset activities, while the Bank of Mauritius (BoM) retains oversight of banking, payment systems and monetary policy.

The VAITOS Act has been amended four times since enactment, in 2022, 2023, 2024 and 2026, with a clear focus on strengthening the FSC's monitoring and enforcement powers. The amendments expanded the investigative toolkit available to the FSC and investigatory authorities, authorising the use of blockchain and distributed ledger analytics tools, law enforcement and intelligence reports, web-scraping and open-source information, and data obtained through international cooperation, all of which are admissible as evidence in criminal proceedings. The FSC and investigatory authorities are required to share information when reasonably required for criminal investigations or court proceedings. The 2024 amendments tightened senior executive reporting obligations, requiring immediate notification to the FSC where a VASP is likely to become insolvent, has suffered a cyber-reporting event, has failed to comply with the VAITOS Act or is involved in criminal proceedings. The 2023 amendments broadened the regulatory perimeter by expanding the activities of the Class "R" Virtual Asset Custodian to include for the custody of security tokens.

In May 2026, the Government endorsed the Mauritius National Fintech Strategy 2026–2030 (the Fintech Report), which identifies digital assets, tokenization, and stablecoins among the emerging technology domains requiring coordinated regulatory guidance from the FSC and BoM. A dedicated Technical Working Group on Regulatory Reform and Emerging Technologies, co-led by the BoM and FSC, is responsible for issuing guidance on digital assets. An ecosystem assessment conducted over 2024–2025 identified structural constraints affecting virtual asset operators, including fragmented licensing processes, duplicated know-your-customer (KYC) and anti-money laundering (AML) requirements, underutilised sandbox regimes and persistent difficulties for licensed digital asset firms in accessing banking services. In response, the Fintech Report prioritises a unified digital regulatory onboarding portal, enhanced sandbox frameworks with structured graduation pathways, and a risk-based fast-track licensing framework, with a target of at least six digital-asset-relevant regulatory guidelines published by 2030. In August 2026, the FSC issued Guidance Notes on Stablecoins (Stablecoins Guidance), aligning its approach with international standards issued by the Financial Stability Board (FSB), the International Organization of Securities Commissions (IOSCO) and the Basel Committee on Banking Supervision (BCBS).



Regulatory perimeter and authorisation

The VAITOS Act defines a virtual asset as a digital representation of value that may be digitally traded or transferred and used for payment or investment purposes, but excludes digital representations of fiat currencies, securities, and other financial assets falling under the Securities Act. A virtual token is separately defined as any cryptographically secured digital representation of a set of rights, including smart contracts, provided on a digital platform and issued by an ITO issuer. The VAITOS Act establishes five classes of VASP licence: Class "M" (Virtual Asset Broker-Dealer) for exchange activities; Class "O" (Virtual Asset Wallet Services) for transfers; Class "R" (Virtual Asset Custodian) for safekeeping and administration; Class "I" (Virtual Asset Advisory Services); and Class "S" (Virtual Asset Market Place) for operating a virtual asset exchange. Class "R" licence holders may also hold custody of securities tokens approved by the FSC, as set out above.

Mauritius (continued)



Conduct, prudential and market regulation

. No person may carry out VASP business or issue ITOs in or from Mauritius without the relevant licence or registration, with penalties of up to 5 million Mauritian Rupees (MUR) and imprisonment of up to 10 years. Banks may apply for a Class "R" or Class "I" licence with the written approval of the BoM, or through a subsidiary for other licence classes. All VASPs must have a physical office in Mauritius and direct and manage their business activities from Mauritius.

The FSC has supplemented the VAITOS Act with subordinate rules effective from July 2022, covering capital requirements, custody of client assets, cybersecurity, client disclosure, risk management, statutory returns, publication of advertisements, and travel rules.

The VAITOS Act requires VASPs and ITO issuers to act honestly and fairly, with due skill, care, and diligence; maintain adequate financial resources and effective corporate governance; and implement measures for the protection of client assets. The FSC Rules establish a detailed conduct and prudential framework. The Client Disclosure Rules 2022 require clear, fair and not misleading communications, with pre-service disclosures covering product descriptions, risk warnings, fees, and complaint procedures. Risk disclosures must address volatility, liquidity, technological complexity and security risks. The Capital and Other Financial Requirements Rules 2022 set minimum capital thresholds: MUR 2 million for Broker-Dealers, MUR 5 million for Custodians, and MUR 6.5 million for Market Places, with ITO issuers and Advisory Services required to maintain sufficient working capital. VASPs must maintain prudential safeguards equal to at least one quarter of their fixed overheads.

The Risk Management Rules 2022 require thorough strategies covering credit, liquidity, operational, market and interest rate risks. Class "S" licence holders must implement systems for the detection of suspicious price anomalies, prevention of abusive trading, and immediate suspension of trading upon discovery of market manipulation.

The Custody of Client Assets Rules 2022 establish requirements for the safeguarding of client virtual assets, including segregation, annual technology audits, restrictions on use for the provider's own account, and procedures for third-party custodian arrangements. The Cybersecurity Rules 2022 require VASPs to maintain cybersecurity strategies, conduct annual external audits, and implement business continuity plans.

The Travel Rules 2022 implement the Financial Action Task Force (FATF) travel rule for virtual asset transfers. Originating VASPs must pledge that all cross-border transfers are accompanied by required and accurate originator and beneficiary information, including name, account number or unique transaction reference, and physical address or identity document number. Intermediary VASPs must retain all originator and beneficiary information for at least seven years and adopt risk-based policies for determining when to execute, reject, or suspend a transfer lacking complete information.



Digital money

The VAITOS Act recognises a payment function for virtual assets, although they are not recognised as fiat currency or legal tender in Mauritius. Only stablecoins specified by the BoM as a payment instrument under the National Payment Systems Act may be used to make payment within Mauritius, and only where the issuer or VASP holds a BoM payment service provider licence.

Mauritius (continued)



Tokenization and digital capital markets

The Stablecoins Guidance restricts the FSC's regulatory perimeter to asset-linked stablecoins. Algorithmic and yield-bearing stablecoins are not permitted in or from Mauritius. Any stablecoin pegged to a fiat currency, including the Mauritian Rupee, requires FSC oversight and a no-objection from the BoM. Stablecoin issuers must maintain the higher of MUR 5 million or 50 per cent of annual operating expenses as minimum capital, guarantee redemption at par value within five days, publicly disclose reserve asset values daily and reserve composition weekly, and obtain monthly independent attestation and annual audit of reserve assets. Reserve assets must be segregated, may not be pledged or rehypothecated except for liquidity purposes, and must be valued on a marked-to-market basis daily.

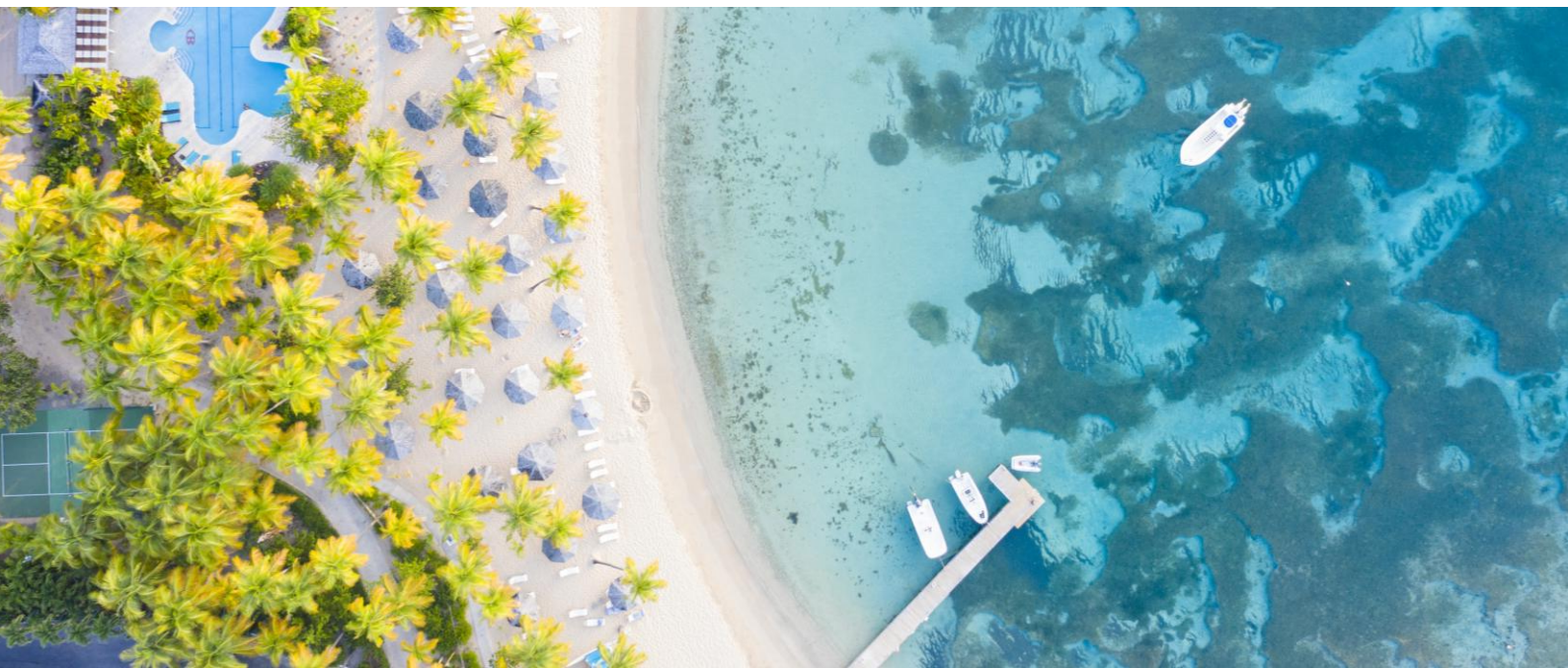
The BoM announced plans to implement a retail central bank digital currency, the Digital Rupee, and launched a pilot programme. However, no significant progress has been reported since 2024.

Mauritius has established a distinct regulatory pathway for tokenized securities, separate from the VAITOS Act. The FSC's Guidance Notes on Security Token Offerings and Security Token Trading Systems define security tokens as securities under the Securities Act represented in digital format. The VAITOS Act expressly does not apply to digital representations of securities falling under the Securities Act, creating a clear boundary between the two regimes.

A security token may constitute a share, a debenture, a derivative, or a unit in a collective investment scheme, with classification determined on a substance-over-form basis. Security token offerings (STOs) are subject to the Securities Act and its subsidiary regulations.

For secondary market trading, security token trading systems are licensed under the Securities Act as Securities Trading Systems (STS). The STS licensing requirements cover listing standards, order execution, post-trade reporting, safekeeping, governance, cybersecurity, market abuse prevention, and anti-money laundering and countering the financing of terrorism (AML/CFT) systems. Where an STS uses distributed ledger technology for instantaneous settlement, it is not required to appoint a separate clearing and settlement facility, provided adequate pre-funded controls are in place for T+0 settlement.

Custody of security tokens must be held with an FSC-licensed custodian, a custodian regulated in an International Organization of Securities Commissions (IOSCO) Multilateral Memorandum of Understanding (MMOU) signatory jurisdiction, or by the STS itself with the FSC's prior approval. The VAITOS Act also provides for Class "R" licence holders to hold custody of securities tokens, establishing a further regulatory pathway.



Mauritius (continued)



Implementation and outlook

Key expected developments include:

- Continued implementation of the Stablecoins Guidance, including coordination between the FSC and BoM on dual-regulatory stablecoin matters.
- Issuance of further regulatory guidance on tokenization, digital asset activities, and stablecoin arrangements.
- Unified digital regulatory onboarding portal and fast-track licensing pathways for virtual asset operators, with enhanced sandbox frameworks providing defined graduation pathways.
- Central KYC (C-KYC) integration with FSC databases, reducing duplicated KYC requirements for VASP licence applicants.
- Potential further legislative amendments to the VAITOS Act, building on the enforcement-focused 2022–2024 amendments.
- Continued alignment with Financial Action Task Force (FATF), Financial Stability Board (FSB), IOSCO, and Basel Committee on Banking Supervision (BCBS) standards, with a focus on strengthening AML/CFT compliance, cybersecurity maturity, and supervisory capacity for digital asset activities.

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Mauritius has built a framework that covers most of the crypto asset spectrum. Virtual assets and service providers fall under the Virtual Asset and Initial Token Offerings Services Act. Security tokens fall under the Securities Act, which keeps a clear line between the two regimes. Asset-linked stablecoins are covered by dedicated FSC guidance, with the Bank of Mauritius involved where they are used for payments. The framework also deals with the main risks, including financial crime, cybersecurity, market abuse and custody.

Firms operating in or from Mauritius will need to confirm which regime applies to their activities and keep their compliance arrangements under review as the framework develops.

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Nigeria



Regulatory strategy and roadmap

Nigeria has moved from a prohibition-led approach to a more structured digital assets regime based on securities regulation, supervised banking access and risk-based financial crime controls. The Federal Government's National Blockchain Policy remains the broader policy anchor for blockchain adoption, while the Presidential Executive Order on Virtual Assets Coordination, 2026 seeks to harmonise virtual asset regulation through supervisory coordination among the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC), the Nigeria Revenue Service (NRS) and other agencies, without introducing new layers of regulation or displacing their existing mandates.

The CBN's Guidelines on the Operations of Bank Accounts for Virtual Asset Service Providers (VASPs), issued in December 2023, remain the key banking-access framework. The Guidelines superseded the CBN's previous restrictive circulars and permit banks and other regulated financial institutions to maintain designated accounts and settlement accounts for SEC-licensed VASPs, while preserving the prohibition on banks holding, trading or transacting in virtual assets on their own account.

The Investments and Securities Act 2025 (ISA 2025) has strengthened the statutory basis for SEC's oversight of virtual assets for capital market activity, financial market infrastructure and securities business in Nigeria.

The overall policy direction is therefore one of supervised access to the market. Nigeria is not treating cryptocurrencies or privately issued tokens as legal tender, but it is creating regulated pathways for issuers, exchanges, custodians, intermediaries and other digital asset service providers to operate within the capital markets and payments ecosystem.



Regulatory perimeter and authorisation

The regulatory perimeter is shared across the SEC, the CBN and the Nigerian Financial Intelligence Unit (NFIU), with each authority regulating a different layer of the virtual asset ecosystem. The Presidential Executive Order on Virtual Assets Coordination, signed on 17 July 2026, puts that division on a formal footing by allocating responsibility according to the activity involved. Securities activities involving virtual assets fall to the SEC. Payment, settlement, custody and related non-security virtual asset activities fall to the CBN. The Order also establishes a Virtual Asset Council to make this split work in practice. The CBN chairs the Council, the Nigeria Revenue Service and the SEC are vice-chairs, and the NFIU and the Office of the National Security Adviser are members. The Council sets policy direction, drives collaboration between agencies, works towards a harmonised legal framework and resolves questions of unclear jurisdiction.

Much of what the Order addresses was already in place: SEC jurisdiction under ISA 2025, supervised onboarding under the Accelerated Regulatory Incubation Programme (ARIP), banking access under the CBN Guidelines of December 2023, and minimum capital under SEC Circular No. 26-1 of January 2026.

The SEC's Rules on Issuance, Offering Platforms and Custody of Digital Assets bring digital asset offerings, offering platforms, custodians, exchanges and VASPs within its remit.

Under the CBN's VASP Guidelines, banks and other supervised institutions may open designated accounts, provide settlement accounts and services, channel permitted foreign exchange flows and trade, and carry out other activities the CBN approves. Those permissions extend only to dealings with SEC-licensed digital asset entities; banks remain unable to deal in virtual assets on their own account.

The Accelerated Regulatory Incubation Programme (ARIP) reaches VASPs and digital investment service providers that are seeking registration or already engaging with the SEC, and extends to firms operating from outside Nigeria where they actively target Nigerian consumers or investors.

Nigeria (continued)



Conduct, prudential and market regulation

Under the SEC's digital asset rules, issuers file an initial assessment and draft white paper covering the project, token rights, use of proceeds, risks, technology and valuation. Platforms, exchanges, custodians and VASPs must meet registration, governance, disclosure, investor protection, risk management and operational standards, dealing fairly and transparently, disclosing risks and fees, offering complaints procedures, and managing cyber risk and conflicts of interest.

Alongside these standards, ARIP offers supervised onboarding pending full registration. Participants report on operations, finances, compliance, incidents and complaints, and must maintain risk management, investor and data protection, and anti-money laundering, countering the financing of terrorism, and countering proliferation financing (AML/CFT/CPF) controls, including the Travel Rule.

Similar discipline applies on the banking side. Under the CBN's 2023 Guidelines on Operations of Bank Accounts for VASPs, SEC-licensed VASPs may only operate designated accounts, which are tightly controlled: no cash withdrawals or third-party cheques, naira-only transactions, settlement through CBN-authorised designated settlement accounts, real-time access for banks to transaction details on VASP platforms, and monthly returns from financial institutions to the CBN.

Capital requirements complete the picture. SEC Circular No. 26-1 of 16 January 2026 on Revised Minimum Capital for Regulated Capital Market Entities replaces the VASP capital regime, calibrating capital to the scope, complexity and risk of the activity. Thresholds now range from ₦300 million to ₦2 billion by licence category, with the highest applying to digital asset exchanges and custodians and several categories facing a prescribed minimum for the first time. They took effect on 16 January 2026, with full compliance due by 30 June 2027; falling short risks suspension or withdrawal of registration and may force a move to another licensing category.



Digital money

Cryptocurrencies and privately issued tokens are not legal tender in Nigeria. The naira remains the legal tender, including in digital form through the eNaira, which remains Nigeria's central bank digital currency.

The eNaira remains operational, but adoption has been limited. The International Monetary Fund (IMF) working paper on Nigeria's eNaira found that, after its first full year, the project had not moved beyond an initial wave of limited adoption and would need coordinated policy action to overcome weak network effects.

Nigeria's digital money landscape is broader than the eNaira. The CBN has opened Cohort 2 of its regulatory sandbox with a dedicated virtual asset and stablecoin track, allowing controlled live testing of propositions spanning payments, fiat on and off-ramps, wallets, custody structures, token-based products, compliance technology and related market infrastructure.

A private naira-backed stablecoin has also reached live market use through supervised channels, operating, on its own published information, under the SEC Accelerated Regulatory Incubation Programme and publishing proof-of-reserve information, an emerging model for privately issued naira-denominated digital money under supervision.

The policy question is therefore no longer whether digital money will exist, but how central bank money, privately issued stable-value instruments and bank settlement infrastructure can coexist without undermining monetary policy, consumer protection or financial stability.

Nigeria (continued)



Tokenization and digital capital markets

Tokenization in Nigeria has moved from rule-setting to regulated market infrastructure, though live issuance has yet to begin. The SEC's digital asset rules frame security token offerings, offering platforms, exchanges and custodians: issuers offering within Nigeria or targeting Nigerians file an initial assessment and register the asset where the SEC treats it as a security, with disclosure on technology, investor rights, use of proceeds, valuation, risks and custody, retail investment limits and an independent custodian or trustee.

ISA 2025 provides the statutory foundation, bringing digital and virtual assets within the definition of securities and providing for electronic issuance and transfer, market infrastructure and exchanges, subject to SEC rules and approval.

That foundation is now being put to use. On 30 July 2026, NASD OTC Securities Exchange launched the NASD Digital Securities Platform (NDSP), Nigeria's first regulated venue for issuing, trading, clearing and settling tokenized securities. In August 2026 NASD announced SEC approval for trading tokenized shares and bonds on the platform. The first public offering, initially targeted for September 2026 with SMEs as the main intended issuers, had not gone live as at October 2026, with NASD still listing offerings as coming soon.

On 20 August 2026 the SEC exposed Proposed Rules on Digital and Virtual Assets Operations, Custody and Markets under ISA 2025, covering issuance, tokenization, trading, custody, transfer, settlement and related services. Their reach is extraterritorial, catching anyone serving Nigerian residents or targeting Nigerian investors. The Proposed Rules remain at exposure stage, so scope, capital and custody positions may change.

How quickly the market develops will depend on when the first NDSP offerings go live and whether secondary trading follows, what the final SEC rules look like, and whether custody and settlement arrangements are strong enough to earn investor confidence.



Implementation and outlook

The framework is consolidating through SEC registration and ARIP onboarding, CBN-supervised banking access and sandbox testing. Near-term priorities include:

- Moving ARIP participants toward full authorisation, with clearer rules on governance, marketing and investor protection.
- Closer SEC–CBN coordination on stablecoins, payment tokens and infrastructure.
- Tighter supervision of unlicensed and peer-to-peer activity, cross-border risk and AML/CFT compliance.
- Sandbox evidence shaping licensing for stablecoins, wallets, custody and payments.
- Operationalising the Virtual Asset Council and Virtual Asset Office created by the 2026 Executive Order and finalising the Proposed Rules exposed in August 2026.

Pathways for compliant operators are clearer; effectiveness now depends on converting incubation into full authorisation and sustained, coordinated supervision.

Nigeria (continued)

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Nigeria's digital asset framework is becoming much more structured, with SEC licensing, CBN-supervised banking access and regulatory sandbox activity now developing alongside each other.

The opportunity is increasingly about how those pieces connect in practice, particularly for stablecoins, payments and tokenized products, and how firms move from incubation into full authorisation.

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Norway



Regulatory strategy and roadmap

The Markets in Crypto-Assets Regulation (Regulation (EU) 2023/1114) (MiCAR) was implemented in Norwegian legislation through the Crypto Assets Act on 1 July 2025. The transitional period expired on 1 July 2026. From 1 July 2026, all entities that provide crypto-asset services or issue asset-referenced tokens (ARTs) and e-money tokens (EMTs) are regulated entities under the supervision of the Norwegian Financial Supervisory Authority (NFSA) and are subject to licensing requirements.

The Crypto Assets Act replaces the former anti-money laundering (AML) registration regime for virtual currency services and the registration regime for virtual asset service providers (VASPs).

Following the end of the transitional period on 1 July 2026, providers without authorisation are expected to wind down their activities in an orderly manner, to stop onboarding new customers, to limit services to what is strictly necessary for an orderly wind-down, and to communicate timelines clearly to customers.



Regulatory perimeter and authorisation

MiCAR applies to the provision of crypto-asset services and the issuance, public offers, and admission to trading of ARTs and EMTs. Defined exclusions apply, for example, non-fungible tokens (NFTs), central bank digital currency (CBDC), and entirely decentralised services. Tokens that are financial instruments fall outside MiCAR and into the Markets in Financial Instruments Directive II (MiFID II) regime as implemented in Norwegian legislation.

Entities in scope must obtain authorisation from the NFSA. Existing financial institutions, such as credit institutions, investment firms, and e-money institutions, may provide corresponding crypto-asset services by submitting a notification at least 40 working days before services start. Authorised crypto-asset service providers (CASPs) benefit from European Economic Area (EEA) passporting, and CASPs authorised in other EEA states may passport their services into Norway.

The first Norwegian CASP authorisation pursuant to MiCAR Article 63 was granted in May 2026, and further authorisations followed during the first half of 2026. The NFSA applies the MiCAR Article 63 process, with a completeness assessment within 25 working days and a decision within 40 working days of a complete application.



Conduct, prudential and market regulation

Legislation: MiCAR and related regulatory technical standards (RTS) supplementing the regulation represent the main regulatory framework for crypto-assets in Norway. RTS and implementing technical standards are phased in through the Crypto Asset Regulation ("Kryptoeiendelsforskriften") on a continuous basis, with amendments made through to July 2026.

Related frameworks: AML requirements apply to entities in scope of MiCAR, including the European Union (EU) Travel Rule (Regulation (EU) 2023/1113) implemented in the Anti-Money Laundering Act section 52. Information and communication technology risk and resilience requirements apply under the Norwegian act implementing the Digital Operational Resilience Act (DORA).

Competent authority: The NFSA is the national supervisor for issuers and CASPs, cf. the Crypto Assets Act section 2. Guidance published by the European Securities and Markets Authority (ESMA) and the European Banking Authority (EBA) is directional for the NFSA's supervisory role.

Norway (continued)



Tokenization and digital capital markets

Sanctions: The NFSA may impose administrative fines for breaches of the provisions listed in MiCAR Article 111(1), with maximum levels for undertakings ranging from NOK 30 million or 2 per cent of annual turnover for breaches of the disclosure obligation in Article 88, to NOK 180 million or 15 per cent for breaches of the market abuse prohibitions in Articles 90 to 92. Insider dealing and market manipulation carry imprisonment of up to six years, unlawful disclosure of inside information carries imprisonment of up to four years, and issuing asset-referenced tokens or e-money tokens, or providing crypto-asset services without authorisation carries imprisonment of up to three years.

The distributed ledger technology (DLT) pilot regulation (Regulation (EU) 2022/858) was implemented in Norwegian legislation and entered into force on 1 August 2024, cf. the Securities Act section 8-2.



Digital money

The Central Bank of Norway concluded on 10 December 2026 that there was no basis for introducing a CBDC at that time, while noting that the need may change. It will continue to assess tokenization and different forms of CBDC, including wholesale CBDC and tokenized bank deposits, through experimental testing and cooperation with other participants in the payment system.

It has also assessed the consequences for Norway of an introduction of the digital euro. The assessment concludes that a digital euro would be very unlikely to lead to significant currency substitution in Norway, and that the consequences for the Norwegian payment system, financial stability, and monetary policy would be negligible. Certain tourist destinations may see increased use of the digital euro, which could strengthen competition for payment services in those areas, but before a digital euro can be used in Norway, changes to national legislation and an agreement between Norges Bank and the European Central Bank (ECB) would be required.



Implementation and outlook

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- The end of the transitional period on 1 July 2026 marked the shift from authorisation to supervision, with orderly wind-down of unauthorised providers a supervisory priority.
 - Only a limited number of Norwegian entities hold a CASP authorisation.
 - Norway's national regime is aligned with the EU, enabling like-for-like cross-country comparison on perimeter, authorisation, supervision, token categories, issuer obligations, CASP rules, and market integrity.
 - Passporting possibilities may result in more cross-border services delivered from Norway.

Norway (continued)

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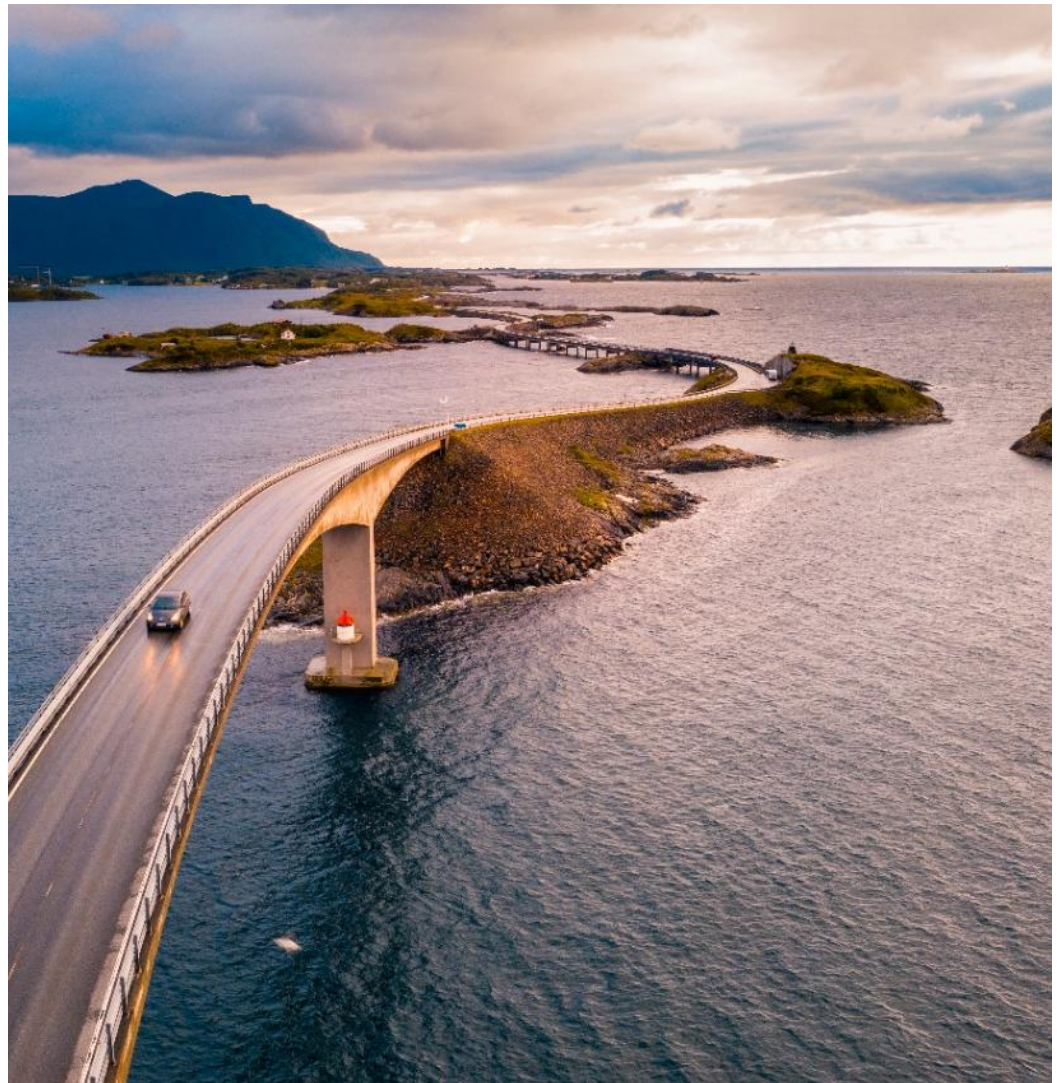
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Oman



Regulatory strategy and roadmap



Regulatory perimeter and authorisation

Oman's approach to virtual assets (VAs) and the digital economy is shaped by Oman Vision 2040, which prioritises economic diversification, digital transformation and innovation in financial services. Financial technology is one of the executive programmes of the National Programme for the Digital Economy, with the Central Bank of Oman (CBO) as lead authority for fintech implementation. Supervision is shared between the Financial Services Authority (FSA) and the CBO. The FSA succeeded the Capital Market Authority (CMA) and regulates capital markets, insurance and the non-banking financial sector. The CBO retains authority over banking, payment systems and electronic money.

Oman's approach to VAs has been cautious and staged. It has not followed a prohibition model and, as of October 2026, has not adopted full licensing. The CBO has directed licensed banks, exchange houses and payment service providers to assess the anti-money laundering and counter-terrorist financing (AML/CFT) risks of customer dealings in VAs. The FSA introduced a registration regime for virtual asset service providers (VASPs) as a first step towards a thorough licensing and supervisory framework. In 2026, the FSA continued developing that framework, while Oman established the International Financial Centre of Oman (IFC Oman) as an independent financial centre with its own regulatory and judicial arrangements. IFC Oman opens the prospect of a separate financial services perimeter alongside the onshore framework, although the treatment of VA activities within the Centre remains to be determined.

Oman does not have a standalone VA law. The onshore perimeter rests on the Securities Law, the Banking Law, the National Payment Systems Law and the AML/CFT Law, supplemented by FSA and CBO instruments. The VASP registration instructions exclude digital representations of securities and other assets already regulated elsewhere, so tokenized instruments that qualify as securities remain within the securities regime. The principal regulatory authorities are as follows:

- **FSA:** The FSA administers VASP registration under Decision No. E/35/2023 (VASP Instructions), which requires persons providing VA services in or into Oman to register and comply with applicable AML/CFT requirements. The regime extends to foreign providers offering services into Oman. It is a registration-based supervisory framework, not a full prudential and conduct-of-business licensing regime. Following a public consultation on a proposed VA regulatory framework, the FSA has continued to develop thorough licensing and supervisory requirements for VASPs.

In 2026, the FSA issued the Executive Regulation of the Securities Law (Decision No. E/11/2026), which introduced a regulatory sandbox for innovative financial instruments and fintech activities not covered by existing legislation. This gives VA-related innovations a possible testing route within the FSA's jurisdiction, but it does not replace the separate VASP registration requirements.
- **CBO:** The Banking Law treats fintech and crowdfunding as regulated activities within the CBO's perimeter. The CBO operates a Fintech Regulatory Sandbox for live testing of innovative financial products. It also runs a joint sandbox with the FSA for innovations that span both regulators' perimeters. The CBO also oversees VA-related risks within the banking and payments sectors. Its supervisory guidance requires regulated institutions to assess and mitigate AML/CFT risks from VA exposure. Using VAs for payment-related activities remains subject to CBO approval.
- **IFC Oman:** In 2026, IFC Oman was established as an independent financial free zone, with its own regulatory authority, courts and English common law framework. In the same year, the IFC Oman Board was appointed to set the Centre's strategic direction and supervise its operating authorities. IFC Oman's financial services rules, including any definition of its own VA perimeter, remain to be issued. These arrangements are not yet operational.

Oman (continued)



Conduct, prudential and market regulation

The onshore regime is built around financial crime controls, not prudential or conduct-of-business standards. The VASP Instructions apply fit and proper requirements to directors and senior management and impose the full range of AML/CFT obligations. These include customer due diligence and ongoing monitoring, suspicious transaction reporting to the National Centre for Financial Information, and Travel Rule compliance. Every VA transfer is treated as cross-border for due diligence purposes, and blockchain records alone do not satisfy record-keeping requirements. These obligations support traceability and regulatory oversight of VA activity. The instructions do not set minimum capital, safeguarding or segregation standards for VASPs, which are expected to form part of the thorough licensing framework.

In 2026, the Executive Regulation of the Securities Law strengthened the wider securities framework through stronger client asset segregation and investor protection, together with market conduct and risk-based supervisory requirements. It added safeguards against market abuse and for the protection of client assets in insolvency, together with more detailed reporting and governance obligations. These requirements apply to entities regulated under the securities framework and do not automatically extend to registered VASPs.

They nevertheless indicate the investor protection and supervisory standards likely to inform the FSA's proposed VA licensing framework. The Financial Action Task Force (FATF) and the Middle East and North Africa Financial Action Task Force (MENAFATF) mutual evaluation rated Oman largely compliant with Recommendation 15 on new technologies and VAs. It identified gaps in the scope of regulated VASP activities and in enforcement provisions.



Digital money

The boundary between the FSA's VA regime and the CBO's payments mandate is drawn expressly. The VASP Instructions prohibit registered VASPs from dealing in VAs for payment purposes, including stored value facilities, without CBO approval. Oman's frameworks do not treat algorithmic stablecoins, fiat-referenced tokens or privacy-enhancing assets as distinct categories. Issuing or using fiat-referenced stablecoins for payment may engage the CBO's framework for payment systems and electronic money, depending on the structure and functions of the instrument. VAs are not recognised as legal tender.

The CBO is progressing its central bank digital currency (CBDC) programme as part of Oman's financial digital transformation strategy. After research into CBDC models, regulatory considerations, cybersecurity and use cases, the CBO indicated that it had concluded its research and was preparing to conduct a pilot. In 2026, the CBO began procurement of an independent assessor to provide assurance across the programme, covering feasibility, design, proof of concept, pilot execution and readiness for potential deployment. The programme is moving towards practical testing, although the CBO has not publicly confirmed a final CBDC architecture or an issuance decision.



Tokenization and digital capital markets

As of October 2026, Oman does not have a bespoke legal regime for tokenized securities, funds, bonds, or real-world assets. The Securities Law defines securities broadly, covering shares, bonds, sukuk, derivatives, fund units and any other instrument the FSA designates. Because the VASP Instructions exclude regulated financial instruments, tokenized instruments that qualify as securities fall within the FSA's securities regime, not the VASP framework.

In 2026, the Executive Regulation of the Securities Law gave the FSA greater flexibility for innovative financial instruments, including a sandbox for activities that existing legislation does not yet address. This may provide a route for developing and testing tokenized securities and other digital capital market products within the FSA's jurisdiction. The framework does not, however, create a separate licensing regime for tokenized assets. Their treatment continues to depend on the legal nature of the underlying instrument and the activities undertaken.

Oman (continued)



Implementation and outlook

As of October 2026, Oman's regulatory priority is expected to be the finalisation of the FSA's thorough VA licensing framework. This would move Oman from an AML/CFT-focused registration regime to a framework covering market entry, prudential safeguards, custody, investor protection and conduct of business. The scope and timing of the final regulations remain to be confirmed, including how they address the gaps identified in the FATF/MENAFATF mutual evaluation.

Implementation of the Securities Law Executive Regulation is expected to give the FSA a basis for clarifying its treatment of tokenized securities and related custody arrangements, and how they integrate with existing capital market infrastructure. The CBO's CBDC programme is expected to move into pilot testing under independent assurance, with decisions on design, use cases, and interoperability with existing payment infrastructure shaping the next phase. The CBO is also expected to clarify how it treats fiat-referenced stablecoins and other payment-related digital assets.

As IFC Oman develops its financial services framework, a central issue will be whether it adopts a dedicated regime for VA services and tokenized financial products. If it does, Oman would have a separate regulatory perimeter alongside the onshore regime, and coordination between the FSA, the CBO and IFC Oman's regulatory authority would become increasingly important.

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Qatar



Regulatory strategy and roadmap



Regulatory perimeter and authorisation

Qatar's approach to financial innovation and digital assets is evolving in the context of the Third National Development Strategy (2024–2030), the Fintech Strategy led by the Qatar Central Bank (QCB), the Third Financial Sector Strategic Plan and the QCB Strategy 2024–2030. These initiatives seek to position Doha as a regional FinTech hub while maintaining financial stability, market integrity and consumer protection. However, this broader support for financial innovation does not, in itself, imply the liberalisation of cryptocurrency trading, stablecoin issuance or virtual-asset service provider (VASP) activities, which remain subject to separate regulatory restrictions.

Historically, Qatar has adopted a restrictive approach to cryptocurrency-related activities while increasingly supporting regulated applications of distributed-ledger technology (DLT), digital payments, and digital assets. The QCB has supported financial innovation through its Distributed Ledger Technology (DLT) Guideline, issued in July 2024, and its Regulatory Sandbox. Examples include the launch of the QCB's DLT Guidelines in July 2024, along with its Regulatory Sandbox framework.

The Qatar Financial Centre (QFC), an onshore business and financial centre, through its Regulatory Authority (QFCRA), continues to promote FinTech experimentation, including tokenization, blockchain-based settlement, and RegTech pilots.

Qatar maintains distinct regulatory perimeters for monetary, payment and capital-market activities. The QCB oversees banking, monetary and payment-system activities within its statutory jurisdiction, while the Qatar Financial Markets Authority (QFMA) regulates securities and capital-market activities within its statutory remit. Within the QFC, the Qatar Financial Centre Authority (QFCA) administers commercial licensing, including licensing for relevant token services, while the QFCRA regulates authorised financial services and investment-token activities.

- **QCB:** In 2018, the QCB issued Circular No. 6/2018, restricting banks and financial institutions from dealing in Bitcoin and other cryptocurrencies and facilitating related transactions. This was followed by Circular No. 46/2019, which established broader restrictions concerning virtual assets and virtual-asset service providers, including restrictions on commercial VASP licensing and the facilitation of virtual-asset transactions by financial institutions. With that being said, the QCB continues to support financial innovation through its regulatory sandbox and the development of guidance for emerging technologies, including DLT.
- **QFMA:** The QFMA regulates the capital market and securities sector in Qatar (outside of the QFC and QFCRA framework). Its Strategic Plan 2023–2027 includes initiatives to develop a legal and regulatory framework for digital assets and smart contracts and to update anti-money laundering and counter-terrorist financing (AML/CFT) requirements relating to virtual assets and VASPs.
- **QFCRA:** Within the QFC, the QFCRA supports digital-asset innovation through its Digital Assets Lab and the QFC Digital Assets Framework 2024, introduced jointly by the QFCA and QFCRA. The framework permits token services involving eligible assets, subject to QFCA licensing and, where applicable, QFCRA authorisation. However, cryptocurrencies, stablecoins and central bank digital currencies (CBDCs) remain classified as Excluded Tokens under the Digital Asset Regulations 2024. The QFCRA has confirmed that the restrictions introduced in December 2019 continue to apply to services involving such tokens.

Qatar (continued)



Conduct, prudential and market regulation

Since 2024, Qatar has been formalising a coordinated approach to digital assets across the QCB, the QFMA, and the QFCRA. These initiatives encompass DLT adoption and eligible asset tokenization, without establishing a single, unified national virtual-asset regulatory regime.

Within the QFC, the Digital Assets Framework 2024, introduced jointly by the QFCA and QFCRA, established the legal basis for tokenization, recognising property rights in tokens and underlying assets, and setting requirements for token creation, custody, transfer and exchange, including recognition of smart contracts. In addition to the launch of its Digital Asset Regulations, it has also issued rules on Investment Tokens and updated its rules and regulations (from customer and investor protection and AML rules to company and contract regulations) to support the development of the digital asset economy. This positions the QFC as the primary venue for institutional tokenization and custody within a defined legal perimeter.

At the national level, the QCB continues to supervise monetary and payments activity. While prior circulars and warnings restrict unlicensed crypto asset trading or promotion, QCB has shifted from prohibitive messaging toward regulated innovation via its Regulatory Sandbox (expanded scope and guidance updated 2024–2025) and a structured CBDC programme. QCB publicly announced completion of CBDC infrastructure work in June 2024, launching a first experimental phase running through October 2024 to test wholesale settlement use cases.

Supervisory priorities across the QCB and QFCRA emphasise prudential governance, custody segregation, and AML/CFT alignment with Financial Action Task Force (FATF) standards. QCB communications reinforce that virtual-asset activities must not be offered without the requisite authorisation and that regulated institutions must manage virtual-asset exposure in accordance with applicable financial-crime controls.

Within the QFC, token service providers are subject to QFCA licensing and applicable governance and client-protection requirements, while regulated activities involving investment tokens may additionally require QFCRA authorisation and compliance with financial-services requirements.



Digital money

The QCB is pursuing the development and testing of wholesale central bank digital currency (CBDC) as part of its broader financial-sector digitalisation and payments modernisation objectives. The programme aims to strengthen national payment infrastructure, improve settlement efficiency and support the development of digital financial services.

In June 2024, the QCB announced completion of the infrastructure development phase of its CBDC project and the commencement of an initial experimental phase involving selected banks. The programme focused on wholesale interbank payments and the settlement of digital securities using distributed-ledger technology, including delivery-versus-payment arrangements and liquidity forecasting. The initial phase was conducted as a simulation rather than through live transactions involving real money.

The QCB has indicated that the results of the initial wholesale CBDC experiment would inform decisions on subsequent development, including whether to explore retail CBDC applications or expand wholesale settlement use cases. In June 2024, a senior QCB official identified retail CBDC as a possible future area of consideration, rather than a confirmed next phase.

Privately issued stablecoins and cryptocurrency-related services remain subject to restrictive regulatory treatment in Qatar. Existing QCB restrictions on cryptocurrency trading and virtual-asset services continue to apply, while cryptocurrencies, stablecoins and other payment-like tokens are classified as Excluded Tokens under the QFC Digital Assets Framework 2024.

Although the QCB has explored potential applications of tokenized commercial-bank deposits, it has not announced a general licensing framework for privately issued stablecoins or payment tokens.

Qatar (continued)



Tokenization and digital capital markets



Implementation and outlook

In the QFC, the QFCRA Digital Assets Framework (2024) recognises tokenized securities, fund units, and real-world-asset instruments, defining property rights, custody obligations, and legal recognition of smart contracts. Appropriately licensed QFCRA-regulated firms may issue or administer tokenized products within existing fund-management and custody regimes, subject to disclosure and audit standards.

Furthermore, in June 2026, Qatar's central securities depository, Edaa, announced progress on its Financial Market Infrastructure Transformation Programme with LSEG Markets Technology to modernise clearing, settlement and depository systems.

The implementation of the QFC Digital Assets Framework is expected to support further development of eligible asset-tokenization activities, particularly in relation to securities, investment funds and real-world assets. Further regulatory development may also emerge from the QFMA's Strategic Plan 2023–2027, which identifies digital assets, smart contracts and the treatment of VASPs as areas for regulatory consideration. However, no confirmed national cryptocurrency VASP licensing framework or implementation timetable has been announced.

The QCB's wholesale CBDC programme represents another potential area of development. Following evaluation of its initial experimental phase, future work may examine additional wholesale settlement applications, interoperability with existing financial-market infrastructure and the potential introduction of retail CBDC use cases. The scope and timing of further development remain subject to QCB assessment.

Qatar's Third Financial Sector Strategic Plan provides a broader policy context for regulatory modernisation and financial-sector development. The QCB, QFMA and QFC authorities retain distinct statutory mandates, and cooperation among the relevant authorities remains important as digital-asset activities develop.

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Republic of Korea



Regulatory strategy and roadmap

Korea is executing a two-phase strategy: Phase-1 focuses on market conduct and user protection, with the Virtual Asset User Protection Act (VAUPA) effective 19 July 2024, and Phase-2 will consolidate issuance, disclosure, listings, and payments into a Digital Asset Basic Act (DABA) with a dedicated stablecoin regime. As at October 2026, Phase-2 remains subject to institutional alignment between the Financial Services Commission (FSC) (financial policy/regulation) and the Bank of Korea (BOK) (monetary/payment stability), especially on supervisory roles and issuer eligibility for KRW-stablecoins.

In parallel, authorities are re-opening corporate participation in a staged manner (initially allowing corporate real-name accounts for liquidation purposes) and elevating exchange self-regulation on listings and surveillance to improve market integrity. Periodic market surveys (users, volumes, deposits) by the Korea Financial Intelligence Unit (KoFIU) anchor data-driven supervision and disclosure.



Regulatory perimeter and authorisation

Anti-money laundering (AML) perimeter and VASP registration: Under the AML Act (Act on Reporting and Using Specified Financial Transaction Information), VASPs must register with KoFIU, obtain ISMS, and operate real-name bank accounts. The Travel Rule has applied since 25 March 2022 for transfers $\geq$ KRW 1 million; KoFIU launched a task force in December 2025 to expand/strengthen rules (threshold/scope, offshore risk), targeting end of 2026 proposals.

User-protection/market conduct: VAUPA grants FSC/FSS full supervision, inspection, and sanctioning powers, and criminalises insider trading, market manipulation, and unfair trading, with life imprisonment possible for illicit gains $\geq$ KRW 5 billion.

Phase-2 (issuance/listing): Drafts of a Digital Asset Basic Act propose an issuance-to-distribution rulebook, including stablecoin licensing, reserves, redemption, disclosures, and audits, with potential elements of self-regulatory organisation (SRO) for token reviews; supervisory allocation between FSC and BOK remains the core design choice



Conduct, prudential and market regulation

Safeguarding client assets (VAUPA):

Client fiat must be held at banks, with interest/usage fee obligations defined by decree.

Client crypto must be segregated and $\geq 80\%$ stored in cold wallets (economic-value basis, monthly recalculation). Insurance or reserve funds for hacking/system failures are mandatory.

Market integrity:

VASPs must surveil and report suspicious activity to FSS; criminal and administrative sanctions apply to unfair trading

Market status and supervision cadence:

KoFIU H2-2025 survey covered 27 registered VASPs (18 exchanges; 9 custody/wallet). Indicators (eligible traders, volumes, deposits) are disclosed semi-annually to inform policy and supervision

Corporate access: Authorities are allowing corporate accounts in stages beginning with cash liquidation purposes, tied to controls on listings and market surveillance



Digital money

CBDC & deposit-tokens: Korea piloted retail CBDC payments via deposit-tokens in Project Hangang (Apr–Jun 2025): 100,000 citizens, seven major banks, QR-based in-store payments, KRW 1 million per-user holding cap and KRW 5 million cumulative spending during the trial.

Objectives: real-time merchant settlement and lower fees by trimming intermediaries. This complements Korea's participation in Bank for International Settlements (BIS) tokenization work for wholesale and cross-border settlement

Republic of Korea (continued)



Tokenization and digital capital markets



Implementation and outlook

Stablecoins: Korea has no dedicated statute in force yet. Legislators and agencies are crafting a KRW-stablecoin regime providing for 1:1 high-quality reserves, redemption at par, domestic custody and periodic audit/disclosures. The supervisory split (FSC vs BOK) and issuer eligibility (bank-issued vs non-bank) remain under negotiation. Foreign-currency stablecoins and cross-border flows are part of the risk calculus

AML/Travel Rule uplift: The March 2022 rule ($\geq$ KRW 1 million) is being tightened via the KoFIU TF to close smurfing/offshore gaps; proposals are slated for end of 2026.

Security-token policy:

The FSC (February 2023) clarified security-token (STO) principles: apply the Capital Markets Act; recognise electronic registration under the Electronic Securities Act; create issuer account managers; and enable over-the-counter (OTC) brokers for investment-contract securities, bringing STOs within the securities perimeter.

Market infrastructure:

Korea Securities Depository (KSD) built an STO testbed (Total-Volume, Node Management, distributed ledger technology (DLT) layer) and completed connectivity tests with securities/fractional platforms; it plans to shift to production once legal amendments pass and is preparing for total issuance control/registration screening.

Securities firms validated end-to-end issuance and ledger operations on the testbed to seed RWA-based STO products

Strategic implication:

Korea is pursuing a two-rail convergence, comprising the cash leg (CBDC/deposit-tokens) and securities leg (STO on DLT), to enable atomic DvP. This requires synchronised rulebook upgrades across settlement finality, collateral eligibility, and tax/accounting.

2026 priorities

Enact Phase-2 (Digital Asset Basic Act; stablecoin regime): settle FSC/BOK supervisory split, issuer eligibility (bank vs non-bank), KRW-stablecoin design, and interfaces with VAUPA.

Travel Rule uplift: implement the KoFIU TF proposals (threshold/scope, offshore controls, and governance of VASP ownership)

CBDC pivot: Building on the outcomes of Project Hangang, expand deposit token-based retail use cases while accelerating integration between wholesale CBDCs and cross-border payment initiatives (e.g., Project Agora).

STO go-live: flip the KSD testbed to production after statutory amendments; onboard issuers and brokers

Mid-term (from 2027 onward):

Expand institutional participation by fully permitting corporate accounts and broadening the scope to include custody, collateral, and derivatives. Standardise disclosure, risk management, and accounting principles. Gradually transplant traditional market disciplines, such as those governing TRS, ETFs, leverage, securities lending, and borrowing, into market surveillance and internal control frameworks.

Republic of Korea (continued)



Executive takeaways

KRW-stablecoins are the fulcrum for domestic payments efficiency and on-chain capital-markets settlement. Expect a bank-anchored model with non-bank participation in distribution and wallets, subject to reserve, redemption and disclosure discipline. The supervisory split and FX considerations will be decisive.

CBDC × deposit-tokens × STO will force market-infrastructure redesign (cash and securities). Korea's concurrent pilots (BOK) and infrastructure build (KSD) position it to align technology and regulation, provided settlement finality, collateral, accounting, and tax rules are updated cohesively

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The Kingdom of Saudi Arabia



Regulatory strategy and roadmap

Saudi Arabia's virtual-asset policy forms part of the Kingdom's broader Vision 2030 programme, which prioritises digital transformation, financial-sector diversification and fintech innovation. The Saudi Central Bank (SAMA) and the Capital Market Authority (CMA) have both emphasised the need for an innovation-friendly but risk-aware regulatory approach to digital assets.

SAMA is actively exploring distributed-ledger technologies to enhance payment infrastructure and cross-border settlement efficiency. In June 2024, it joined the BIS-initiated Project mBridge as the fifth full participant alongside the central banks of China, Hong Kong, Thailand and the UAE at the project's minimum viable product (MVP) stage. The Bank for International Settlements (BIS) subsequently exited the project in October 2024, handing governance to the participating central banks.

The CMA has also supported the use of distributed-ledger technology (DLT) in regulated capital-market activities. In June 2020, it granted a FinTech Experimental Permit for the use of DLT to arrange securities offerings and provide custody services. This demonstrates the CMA's established approach to testing technology-enabled securities activities within its FinTech Lab, without introducing a general virtual asset licensing regime.



Regulatory perimeter and authorisation

Saudi Arabia has not established a general licensing framework for virtual asset service providers (VASPs). Its approach distinguishes restrictions on cryptocurrency-related activities from the regulated use of DLT and other financial technologies within existing financial services frameworks.

- SAMA and CMA jointly oversee financial-sector innovation under the Fintech Saudi initiative, which includes limited sandbox testing of blockchain-based solutions and tokenized payment concepts.
- Cryptocurrencies are not recognised as legal tender in Saudi Arabia. In August 2018, the Standing Committee for Awareness on Dealing in Unauthorised Securities Activities, which included SAMA and the CMA, warned against virtual-currency trading and stated that no persons or entities were licensed by Saudi regulators to undertake such activities. The Ministry of Finance issued a further warning in August 2019. In July 2026, the Financial Action Task Force (FATF) identified Saudi Arabia as a jurisdiction that explicitly prohibits the use of VAs and VASPs. This classification should be distinguished from regulated DLT experimentation involving conventional financial services and instruments.



Conduct, prudential and market regulation

Saudi Arabia's approach to financial technology is guided by the Financial Sector Development Program (FSDP), a central component of Vision 2030. The Kingdom's Fintech Strategy, approved in May 2022, supports financial-sector innovation and the development of a regulated fintech ecosystem. Within their respective mandates, SAMA and the CMA have established regulatory testing environments to facilitate the development and assessment of innovative financial products and services, while maintaining regulatory oversight.

SAMA's focus lies in the monetary and payments domain. It has explored the potential use of wholesale central bank digital currency (CBDC) for domestic and cross-border settlement, including through domestic experimentation with banks and fintech providers. In June 2024, SAMA joined Project mBridge at its minimum viable product stage, supporting the exploration of multi-CBDC infrastructure for cross-border payments. These initiatives remain part of SAMA's research and experimentation into the potential benefits, risks and regulatory implications of CBDC. In parallel, SAMA's Fintech Regulatory Sandbox, originally launched in 2018 and most recently enhanced in June 2026 with a fully integrated digital application portal, allows controlled testing of innovative financial solutions under SAMA supervision.

The Kingdom of Saudi Arabia (continued)

SAMA has issued guidance to banks and fintechs on managing digital asset exposure and facilitating compliance with AML/CFT obligations under the Anti-Money Laundering Law (Royal Decree No. M/20) and its implementing regulation.

The CMA has introduced regulatory frameworks for FinTech activities previously tested in its FinTech Lab. In September 2025, it approved securities crowdfunding for debt instruments, including sukuk, followed by robo-advisory services in March 2026. These developments reflect the CMA's integration of tested financial technologies into its regulatory framework.

Together, SAMA and CMA operate within a coordinated innovation model. Through the Fintech Saudi platform, both authorities cooperate on support for sandbox participants, although this cooperation does not establish an operational Travel Rule regime for VASPs. In addition, the Real Estate General Authority (REGA) operates its own Regulatory Sandbox under the Saudi PropTech Hub for real-estate tokenization, introducing a third supervisory dimension to the Kingdom's digital-asset framework. The initiative permits eligible participants to test innovative real-estate business models under REGA's supervision, subject to defined regulatory requirements and testing periods.

As of October 2026, a dedicated virtual-asset licensing regime has not yet been finalised, the regulatory direction is clear: innovation within existing prudential perimeters. Institutional pilots, tokenization programmes, and wholesale CBDC initiatives demonstrate growing regulatory maturity and confidence.



Digital money

Saudi Arabia continues to explore central bank digital currency (CBDC) through research and controlled experimentation. SAMA's work has focused primarily on wholesale use cases, including domestic interbank settlement and potential cross-border payments through initiatives such as Project mBridge. The programme examines the legal, regulatory, technological and economic implications of CBDC, as well as its potential role in improving payment efficiency and financial infrastructure. Retail CBDC applications remain exploratory, and SAMA has not publicly confirmed an issuance decision.

Saudi Arabia has not established a dedicated regulatory framework authorising the issuance or use of privately issued stablecoins or payment tokens. Their regulatory treatment remains subject to the Kingdom's restrictive position on VAs and VASPs and the applicable banking and payment services framework.



Tokenization and digital capital markets

The CMA has explored the application of distributed-ledger technology within regulated capital-market activities, including securities offerings and custody arrangements through its FinTech Lab. These initiatives provide a foundation for potential tokenization of financial instruments, although Saudi Arabia has not established a dedicated regulatory framework for tokenized securities. Instruments that constitute securities remain subject to the applicable capital markets framework, irrespective of the technology used.

Tokenization in Saudi Arabia also extends to real estate under the supervision of the Real Estate General Authority (REGA). In November 2025, REGA announced the Kingdom's first tokenization of a property title deed and introduced standards for linking digital tokens to official real estate records. In 2026, REGA further advanced the framework through its Regulatory Sandbox, supporting the testing of PropTech models including fractional ownership and real estate tokenization.

The Kingdom of Saudi Arabia (continued)



Implementation and outlook

Saudi Arabia's approach to digital assets is expected to continue distinguishing restricted cryptocurrency-related activities from regulated financial technology and asset-tokenization initiatives. With the FATF's July 2026 report recording Saudi Arabia's prohibition-based approach to VAs and VASPs, any future development of a broader licensing framework would require a clear regulatory policy decision. No confirmed timetable for such a framework has been announced.

SAMA's continuing exploration of wholesale CBDC is likely to focus on the feasibility, risks, and potential benefits of domestic and cross-border settlement arrangements. Further developments may address interoperability with existing payment infrastructure, participation by regulated financial institutions, and the legal and operational conditions for any wider implementation. The treatment of privately issued stablecoins and payment tokens also remains an area where future regulatory clarification may be required.

Tokenization is expected to develop primarily within established sectoral regulatory frameworks. The CMA's experience with DLT-based securities activities and REGA's real estate regulatory sandbox provide foundations for further experimentation with digital representations of regulated assets. Further developments may clarify the treatment of tokenized securities and real estate interests, including ownership, custody, transfer, and settlement arrangements, while maintaining the distinction from unrestricted VA activity.

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Singapore



Regulatory strategy and roadmap



Regulatory perimeter and authorisation

Singapore places strong emphasis on responsible innovation and risk-based regulation in respect of digital assets. While the country promotes controlled experimentation and work on interoperable market infrastructures, it continues to strengthen consumer protection and anti-money laundering and countering the financing of terrorism (AML/CFT) safeguards. Policy objectives include clear activity-based rules, stronger safeguarding of customer assets, and public education to support a well supervised digital asset market.

As of July 2026, Singapore's tokenization ecosystem is maturing, with initiatives increasingly focused on operationalisation and cross-border deployment rather than proof-of-concept testing.

The Monetary Authority of Singapore (MAS) is Singapore's integrated financial regulator. It is the principal authority responsible for authorisation, prudential oversight and market conduct in respect of digital assets and related activities conducted in or from Singapore. It adopts a technology-neutral approach and generally assesses the legal and economic substance of a digital asset, rather than its label, to determine the applicable regime.

Key legal instruments in Singapore include:

- Securities and Futures Act 2001 (SFA), under which digital assets that qualify as capital markets products are regulated in a manner similar to other capital markets products;
- Payment Services Act 2019 (PS Act) and Payment Services Regulations 2019 (PSR), under which digital payment token (DPT) services and e-money issuance, including exchange, transfer and custodial services, fall within the payment services framework;
- Financial Services and Markets Act 2022 (FSMA), under which digital token service providers (DTSPs) that are Singapore corporations, or that carry on business from a place in Singapore, and provide digital token services outside Singapore, are subject to licensing and conduct requirements under the FSMA;
- Commodity Trading Act 1992 (CTA), under which trading in certain asset-backed token arrangements may constitute spot commodity trading and thus be subject to the regulatory requirements under the CTA;
- Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 and the Terrorism (Suppression of Financing) Act 2002, which require compliance with suspicious transaction reporting, sanctions and related AML/CFT obligations regardless of licensing status; and
- MAS instruments such as notices, guidelines and circulars setting out AML/CFT, custody, conduct, technology risk and disclosure requirements.

Service providers must obtain the relevant licence under the applicable legislation based on the nature of the digital asset and the activity undertaken.

The provisions of the FSMA applicable to DTSPs came into force on 30 June 2025. The "Guide on the of Capital Market Products" issued by MAS was updated in November 2025, providing more detailed perimeter guidance for tokenized securities, units in collective investment schemes, derivatives and related activities across issuance, trading, settlement and custody, including prospectus, licensing, organised market and conduct issues.

Singapore (continued)



Conduct, prudential and market regulation

Amendments to the PS Act that came into force in April 2024 expanded the scope of regulated payment services to include custodial services for DPTs. The PSR then introduced additional measures, effective from October 2024, to safeguard customer assets held by DPT service providers, including segregation of customer assets, trust arrangements, proper books and records, and systems and controls to protect the integrity and security of customer assets. The "Guidelines on Consumer Protection Measures by Digital Payment Token Service Providers" issued by MAS were also revised, and measures aimed at providing retail customers with the appropriate risk awareness, such as conducting a Risk Awareness Assessment, took effect in June 2025.

AML/CFT remains a central supervisory priority. MAS recognises that digital token services present higher inherent risks because of their speed, cross-border reach and pseudonymous features. Regardless of regulatory status, all persons must comply with Singapore's suspicious transaction reporting and counter-terrorism financing framework.

In July 2026, MAS published an information paper on supervisory expectations for DPT service providers covering new product risk assessment, enhanced customer due diligence, value transfer requirements, ongoing monitoring, screening, outsourcing and staff expertise. MAS expects formalised token risk assessments, stronger source of wealth and source of funds checks for higher risk customers, and effective Travel Rule controls for unhosted wallets and unregulated virtual asset service providers. MAS also expects firms to calibrate screening and blockchain analytics tools appropriately, with boards and senior management overseeing gap assessments and remediation.

On prudential standards for banks, MAS deferred implementation of the prudential treatment and disclosure standards for cryptoasset exposures, published by the Basel Committee on Banking Supervision, to January 2027 or later. In the interim, banks with cryptoasset exposures, or proposing to take on such exposures, must notify and engage MAS on the appropriate prudential treatment.



Digital money

Stablecoins are generally treated as digital payment tokens and regulated under the PS Act. MAS consulted in October 2022 on a regulatory framework for issuers and intermediaries of single-currency stablecoins (SCS) issued in Singapore that meet specified criteria. In August 2023, MAS then published its response to this consultation, which sets out its finalised regulatory framework for stablecoins. Under this regulatory framework, stablecoin issuance service is to be introduced as an additional regulated activity under the PS Act. Only SCS pegged to the Singapore dollar or Group of Ten (G10) currencies may fall within the proposed SCS framework. Other types of stablecoins will remain subject to the existing DPT regime. SCS issuers within the framework are expected to maintain very low risk reserve assets in segregated accounts separate from their own assets, and meet prudential requirements including base capital requirements, solvency requirements and business restrictions.

In November 2025, MAS announced the successful live trial of settlement of interbank overnight lending using wholesale central bank digital currency (CBDC) on the Singapore Dollar Test Network, involving major Singapore banks. The test network supports a common settlement asset, programmable payment logic and atomic settlement of both cash and securities legs, and a future trial would involve tokenized MAS Bills settled using CBDC. In October 2025, MAS launched BLOOM (Borderless, Liquid, Open, Online and Multi-currency) to support the responsible development of tokenized bank liabilities and well-regulated stablecoins for wholesale settlement. BLOOM convenes global institutions to develop frameworks for distributing and clearing different settlement assets, while fostering standardised compliance procedures for cross-border implementations.

Singapore (continued)



Tokenization and digital capital markets

On 1 September 2026, MAS published a consultation paper titled “Consultation on the Proposed Amendments to the Payment Services Act 2019 for Stablecoins Regulation” on the proposed legislative amendments to the PS Act to implement MAS’ regulatory framework for stablecoins in Singapore.

The proposed legislative amendments set out how stablecoin issuers may qualify to be MAS-regulated, as well as the safeguards they must meet to support value stability and user protection. The consultation paper seeks feedback on the proposed legislative amendments to implement the MAS-SCS framework, including key requirements relating to maintaining value stability, capital requirements, the right to redeem stablecoins at par value, and public disclosure by MAS-regulated stablecoin issuers.

MAS advances tokenization through controlled pilots, common standards and interoperable infrastructure. Project Guardian is an industry collaboration convened by MAS to test the use of tokenization across asset classes and market functions. Trials have covered asset and wealth management, fixed income and foreign exchange. MAS has also published frameworks such as the Guardian Funds Framework and the Guardian Fixed Income Framework to guide implementation for tokenized funds and tokenized debt capital markets.

In November 2025, MAS supported three further industry publications under Project Guardian on tokenized funds, fixed income tokenization and buy-side adoption. Together, the papers address fund structures, settlement assets, debt issuance and custody standards, and buy-side expectations on custody, distribution and investor protection.

MAS published the Global Layer 1 Whitepaper in June 2024. This Whitepaper states that shared ledger infrastructure governed by common standards can support deployment of tokenized assets by regulated financial institutions across jurisdictions, and that the Global Layer 1 initiative aims to develop compatible market infrastructures to enable seamless cross-border trading of tokenized assets. The “Guide on the Tokenization of Capital Markets Products” issued by MAS was updated in November 2025. This Guide provides market participants with clearer guidance on tokenized securities, collective investment scheme interests, and derivatives, including disclosure of technology-specific risks, legal rights, ownership records and custody arrangements. This Guide also confirms that tokenized capital markets products remain subject to the existing complex products framework where applicable.

In June 2026, MAS announced the Future of Finance Institute to accelerate adoption of frontier technologies, initially focusing on artificial intelligence and tokenization, through a knowledge hub, innovation garage, industry sandboxes, and implementation toolkits, including a programmable compliance toolkit for tokenized assets. Cross-border collaboration also deepened in November 2025 through a MAS memorandum of understanding with the Deutsche Bundesbank on cross-border digital asset settlement and common standards for tokenized payments, foreign exchange and securities flows, the joint initiative with the Bank of England and the Bank of Thailand to explore synchronised foreign exchange settlement across jurisdictions, and the renewed MAS and Otoritas Jasa Keuangan cooperation framework, which extends to digital financial assets and sandbox referrals. MAS has also emphasised that trusted, open and interoperable networks require common standards, protocols and interoperability frameworks rather than proprietary silos.

Singapore (continued)



Implementation and outlook

MAS is progressing legislative amendments to implement the SCS regime under the PS Act, introducing detailed requirements on reserve backing, redemption rights, prudential safeguards, and disclosure obligations. Further refinement of DPT custody and safeguarding standards, and further expansion of industry pilots and infrastructure supporting tokenization in capital markets and payments, are also likely, particularly where interoperability and cross-border settlement are concerned.

The prudential treatment of cryptoasset exposures is likely to be a major area of further development. In April 2026, MAS consulted on a more risk-sensitive approach for cryptoassets on permissionless blockchains. MAS proposed allowing banks to classify certain permissionless cryptoassets as Group 1, rather than Group 2, where principle-based requirements are met to address governance, technology, settlement finality and AML/CFT risks. During the interim period, the proposal would subject locally incorporated banks to a 2% Tier 1 capital exposure cap for such Group 1 permissionless cryptoassets and a 5% Tier 1 capital issuance cap for liabilities arising from them, with notification and, in some cases, prior approval requirements.

Singapore's focus through to October 2027 is likely to be centred on the prudential calibration, supervisory execution, and the transition of tokenization and digital money projects from controlled pilots into broader market deployment.

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South Africa



Regulatory strategy and roadmap



Regulatory perimeter and authorisation

The Financial Action Task Force (FATF) grey listing of South Africa in February 2023 accelerated regulatory efforts to address anti-money laundering (AML) and counter-terrorist financing (CFT) deficiencies, resulting in enhanced oversight, transparency, and compliance requirements across the financial sector, including crypto asset activities. These reforms contributed to South Africa's removal from the FATF grey list on 24 October 2025.

Key developments included the implementation of the Financial Intelligence Centre's (FIC) Travel Rule requirements in April 2025 and the adoption of the South African Revenue Service's Crypto-Asset Reporting Framework (CARF) in March 2026, expanding the regulatory focus beyond financial crime controls to include tax transparency.

South Africa continues to follow an activity-based, risk-focused regulatory approach, integrating crypto asset activities into existing financial sector legislation rather than introducing standalone crypto asset laws. These developments give effect to the recommendations set out in the Intergovernmental Fintech Working Group (IFWG) Position Paper on Crypto Assets, June 2021, which established the strategic direction for the regulation and supervision of crypto asset activities in South Africa. Regulatory development and supervision are coordinated through the IFWG, with the Financial Sector Conduct Authority (FSCA), Prudential Authority (PA), South African Reserve Bank (SARB), National Treasury, and the FIC collectively driving implementation.

South Africa's crypto asset regulatory framework has evolved from a largely unregulated environment to one characterised by formal licensing, supervisory oversight, and financial crime controls.

A key milestone occurred in October 2022 when the FSCA declared crypto assets to be classified as a financial product under the Financial Advisory and Intermediary Services Act, 2002 (FAIS), which established the basis for the regulation of Crypto Asset Service Providers (CASPs). From June 2023, certain persons rendering advice and intermediary services in relation to crypto assets became subject to the FAIS licensing framework, requiring authorisation as Financial Services Providers (FSPs) and adherence to applicable regulatory and supervisory obligations. The FSCA also introduced transitional exemptions under the FAIS Act to facilitate the licensing of existing crypto asset service providers and excluded certain participants, including crypto asset miners, node operators, and persons rendering financial services in relation to non-fungible tokens (NFTs), from the FAIS licensing requirements.

In December 2022, CASPs were designated as Accountable Institutions under Schedule 1 of the Financial Intelligence Centre Act, 2001 (FICA), bringing them within the scope of the FIC's regulatory framework. As a result, CASPs are subject to registration with the FIC and ongoing compliance with AML and CFT obligations prescribed under FICA.

The framework was further strengthened through the implementation of the Travel Rule in April 2025, requiring the collection, verification, and transmission of prescribed originator and beneficiary information in relation to qualifying crypto asset transfers.

SARS plays an increasingly important role through the implementation of the CARF. From 1 March 2026, Reporting Crypto-Asset Service Providers (RCASPs) became subject to registration, due diligence and reporting obligations, including the collection of customer tax residency information and the reporting of crypto asset transaction data to SARS.

A further significant development occurred in August 2026 when SARB and National Treasury published the Draft Crypto Asset Manual for Cross-Border Activities for public comment. The proposed framework introduces exchange control-related monitoring, reporting, and administrative requirements for crypto asset holders and authorised CASPs and, if implemented, will significantly expand South Africa's regulatory perimeter for cross-border crypto asset activities.

South Africa (continued)



Conduct, prudential and market regulation

South Africa's conduct regulation of crypto asset-related financial services is primarily driven through the FAIS framework. These requirements focus on fair customer treatment, governance, conflicts of interest management, disclosures, suitability of advice, operational controls, and record-keeping, with the objective of promoting customer protection and market integrity. In December 2025, the FSCA reinforced its supervisory expectations for CASPs, highlighting the importance of governance, operational capability, and competency in support of effective regulatory compliance.

The proposed Conduct of Financial Institutions (COFI) Bill is expected to play an important role in South Africa's future financial services regulatory framework. COFI is intended to establish a consistent, outcomes-based approach to customer protection, market conduct, governance, disclosure, and operational requirements across the financial sector. The FSCA has previously described the regulation of crypto asset-related financial services under FAIS as a critical interim step pending broader legislative developments, including those contemplated under the COFI framework.

Prudential oversight of crypto asset activities continues to evolve alongside South Africa's broader regulatory framework. The Prudential Authority has contributed to the country's regulatory approach through its participation in the IFWG and continues to monitor developments relating to regulated institutions' exposures to crypto assets. In addition, the Prudential Authority has issued supervisory guidance to banks regarding crypto asset-related activities, emphasising governance, risk management processes, internal controls, and measures to address financial crime risks. Together, these efforts support the prudent integration of crypto asset activities within the financial sector and inform the continued evolution of South Africa's prudential oversight framework.



Digital money

Digital money remains an active area of policy and regulatory development in South Africa. The IFWG continues to coordinate efforts relating to emerging forms of digital money, including stablecoins and central bank digital currencies (CBDCs). In 2026, the IFWG advanced its stablecoin work programme through the publication of a discussion paper on rand-pegged stablecoin arrangements, building on the South African Stablecoin Landscape Diagnostic and supporting ongoing policy development in this area.

The SARB has also explored digital money innovation through Project Khokha, Project Khokha 2 and Project Dunbar, assessing applications including wholesale CBDCs, tokenized central bank money, tokenized securities and cross-border payment arrangements. In November 2025, the SARB clarified its position on a retail CBDC, concluding that, although technically feasible, there is no strong immediate need for its implementation. In the short-to-medium term, the SARB is prioritising the Payment Ecosystem Modernisation Programme and greater non-bank participation in the national payment system, while continuing to monitor whether a retail CBDC may become necessary over the longer term. The SARB's next phase of CBDC work will instead focus on further exploration of wholesale CBDC applications, including their potential to support financial market innovation, cross-border payment efficiency and systemic resilience.

Together with the IFWG's stablecoin work programme, these initiatives reflect South Africa's continued focus on understanding the opportunities, risks and regulatory implications associated with digital money, with near-term CBDC efforts increasingly focused on wholesale applications rather than introducing a retail digital rand.



Tokenization and digital capital markets

Tokenized finance is emerging as an important area of research and regulatory consideration in South Africa. Through Project Khokha 2, the SARB, in collaboration with the IFWG and industry participants, explored the issuance, trading, and settlement of tokenized debt instruments using distributed ledger technology. The project assessed how tokenization could be applied within existing financial market infrastructure and examined the associated operational, legal, and policy considerations.

South Africa (continued)



Implementation and outlook

South African regulators continue to evaluate the potential application of tokenization across capital markets, including issuance, settlement, and post-trade processes, with a view to understanding how tokenized financial instruments may support market innovation and efficiency while informing future policy and regulatory development.

Key expected developments include:

- Continued supervision of licensed CASPs by the FSCA, including conduct, governance, operational capability, and competency requirements under the FAIS.
- Implementation and supervision of the FIC's AML/CFT framework, including Travel Rule obligations applicable to CASPs.
- Continued implementation of the CARF, including registration, due diligence and reporting obligations applicable to RCASPs.
- Regulatory consideration of stakeholder feedback received on the Draft Crypto Asset Manual for Cross-Border Activities.
- Policy development through the IFWG in relation to rand-denominated stablecoin arrangements, following publication of the discussion paper on stablecoin arrangements and the South African Stablecoin Landscape Diagnostic in 2026.
- Evaluation of tokenization, digital money, and financial market infrastructure through IFWG initiatives, including outputs derived from Project Khokha 2 and related tokenization programmes.
- Further consideration of the proposed COFI Bill, which remains a key component of South Africa's future financial sector conduct framework.

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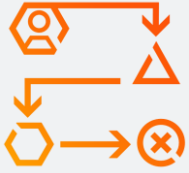
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Switzerland



Regulatory perimeter and authorisation



Regulatory perimeter and authorisation

The Government and the Swiss Financial Market Supervisory Authority (FINMA) continue to demonstrate a constructive and technology-neutral approach to blockchain and digital assets. Switzerland was among the first jurisdictions to adopt a dedicated regulatory framework, following amendments to its existing financial market legislation in 2020. FINMA applies the “same risk, same rules” principle to facilitate a level playing field across financial activities. To enhance legal certainty, FINMA may issue declaratory rulings (comparable to “no-action letters” in other jurisdictions), clarifying the regulatory treatment of specific business models or products in advance. The authority has also published guidance on the qualification of staking models and the issuance of stablecoins, reinforcing the predictability of the Swiss regulatory environment. The Distributed Ledger Technology (DLT) licence, which enables entities to operate both trading and settlement infrastructures for security and other tokens, has continued to mature, with one licence granted by 2025. This confirms the growing adoption and operationalisation of Switzerland’s DLT framework. The Federal Council has reaffirmed its commitment to a modern and pragmatic approach. The public consultation on amendments concerning stablecoins and digital assets in the context of the FinIA revision closed in February 2026. The Federal Council has indicated that it will submit a dispatch to Parliament in the second half of 2026 at the earliest. As a result, while the strategic direction of the reform is now clearer, its final scope, transitional arrangements, and detailed supervisory implementation remain unsettled.

Switzerland has introduced a coherent regulatory framework with specific amendments based on existing financial market laws that promote innovation while preserving stability and investor protection and creating a predictable environment for crypto-asset businesses.

- Banking Act and Ordinance: Apply to activities such as accepting public deposits that require a banking or fintech licence. Capital adequacy, risk-management, compliance, organisational and conduct rules apply.
- Anti-Money Laundering Act and Ordinance: Apply to financial intermediaries, including crypto-asset service providers (exchanges, wallet providers, token issuers) when they qualify as financial intermediaries, requiring KYC, transaction monitoring, and reporting of suspicious activity.
- Financial Institutions Act and Ordinance: Regulate portfolio managers, managers of collective assets, fund management companies and securities firms providing services involving financial instruments. These entities must obtain authorisation, adhere to risk-management, compliance, conduct and organisational requirements.
- Financial Services Act and Ordinance: Apply to financial service providers such as banks, asset managers and investment advisers and establish rules of conduct, transparency, suitability and appropriateness, client classification, etc.
- Financial Market Infrastructure Act and Ordinance: Apply to financial market infrastructure operators and DLT trading facilities.

In addition, FINMA regularly communicates its supervisory practice through the issuance of guidance and guidelines to clarify the application of the various financial market laws to evolving crypto-assets activities. The authority adopts a collaborative approach involving various stakeholders conducting public consultations. Switzerland has not introduced a dedicated virtual asset service providers (VASPs) license but has a regulatory framework based on existing financial market laws with its DLT Act amendments and FINMA guidance. Financial market participants which deal in the digital assets environment may need to obtain a licence from FINMA or affiliate as a financial intermediary to a self-regulatory organisation (SRO) for AML purposes. Which registration or licensing requirement applies depends on the classification of the digital asset and on the type of activity conducted in relation to the digital asset.

Switzerland (continued)



Regulatory strategy and roadmap (continued)

The applicable regulatory obligations also depend on the legal and economic classification of the relevant token. Each classification therefore triggers different requirements under Swiss financial-market law:

- **Payment Tokens:** Represent a means of payment for goods, services, or value transfers. Their issuance or exchange generally falls within the scope of the Anti-Money Laundering Act (AMLA).
- **Utility Tokens:** Provide access to a digital application or service. Pure utility tokens typically do not fall within the scope of financial regulation.
- **Security Tokens:** Represent ownership, debt, or other rights comparable to equities, bonds, or derivatives. These may trigger prospectus requirements and licensing obligations depending on the related activities.
- **Hybrid tokens** combining features of the above categories are assessed on a case-by-case basis. For example, a token may simultaneously qualify as both a payment and a utility token.



Conduct, prudential and market regulation

Once the involved crypto-asset and activity have been classified, the relevant obligations depend on the authorisation status and business model of the provider. Licensed institutions are subject to prudential requirements on capital, liquidity (where applicable), governance, risk management, COMPLIANCE, outsourcing, audit and reporting duties.

Entities holding client crypto-assets or private keys must comply with FINMA's expectations on secure custody (FINMA guidance 01/2026).

Crypto-asset service providers qualifying as financial intermediaries fall under AMLA, which triggers AML duties. In this context, non-FINMA licensed entities may need to affiliate to an SRO for AML purposes.

There is no specific regulation for the issuance, distribution, or marketing of digital assets; however, such activities may trigger obligations under existing laws depending on their structure and function.



Digital money

Stablecoins: FINMA has issued several guidelines since 2018, classifying stablecoins according to their economic function and underlying assets. Depending on the underlying, they may fall under the Banking Act, AMLA, FinIA or FinSA. Building on this, the ongoing FinIA reform would introduce new licence categories notably for stablecoin issuance and crypto-asset services (see section Implementation and outlook). In parallel, major Swiss banks launched a joint CHF stablecoin sandbox in April 2026 to test use cases for a Swiss-franc-pegged stablecoin and support the development of a domestic digital-money ecosystem.

Central Bank Digital Currency (CBDC): In addition to stablecoins, central banks around the world have been exploring the potential of CBDCs as a new form of digital money. Following experimental Phases I and II, the Swiss National Bank (SNB) launched Project Helvetia III in December 2023. Working with six commercial banks, it issued real Swiss-franc wholesale CBDC on the regulated, DLT-based SIX Digital Asset Platform for the settlement of tokenized securities. This marked the transition from test environments to live production transactions. The pilot has since been extended and expanded to compare integrated wholesale-CBDC settlement with synchronised settlement through the Swiss Interbank Clearing system. Project Helvetia is expected to continue until at least June 2028.

Other types of digital assets: Due to their non-fungible characteristics, NFTs generally fall outside the definition of securities or payment tokens. However, certain NFT-related activities may trigger AMLA obligations, particularly where NFTs are traded in a manner resembling financial transactions or are used for value transfer.

Switzerland (continued)



Tokenization and digital capital markets

Since 1 February 2021, Swiss law has allowed the issuance of ledger-based securities, which are rights registered in a securities ledger that can be transferred exclusively through that ledger. This framework provides a legal basis for the tokenization of shares, fund units, and other financial claims directly on blockchain infrastructures.

On 18 March 2025, FINMA issued the first licence for a DLT trading facility, enabling regulated trading of DLT securities. This milestone marks Switzerland's transition from a conceptual framework to a functioning regulated market.

Building on the DLT framework, a leading Swiss stock exchange and a private asset management institution successfully piloted the tokenization of corporate debt in July 2025, allowing fractional allocation of tokenized assets within managed portfolios. This reflects growing institutional engagement with tokenized finance under Swiss law.



Implementation and outlook

Although Switzerland is not part of the European Union, the Markets in Crypto-Assets Regulation (MiCAR) indirectly affects Swiss market participants offering cross-border services to the EU or European Economic Area (EEA).

In the absence of a third-country regime under MiCAR, such entities may need to establish an EU-licensed subsidiary. Reverse solicitation exemptions are narrowly defined. Conversely, EU-based firms serving Swiss clients must comply with Swiss financial market laws, which may include registration or local licensing requirements. Swiss firms aiming to serve EU clients must therefore consider MiCAR compliance, including whether licensing or other obligations are required in the EU. Some Swiss firms may choose to serve only Swiss or non-EU markets to avoid the full MiCAR requirements, or operate solely under the Swiss regulatory framework, although international standard-setting requirements continue to develop.

In parallel, Switzerland is taking steps to strengthen its own regulatory framework regarding crypto assets and stablecoins. In October 2025, the Federal Council launched a consultation to amend the FinIA and related legislation. The consultation closed in February 2026 and included proposals to create two new licence categories:

- **Payment Instrument Institutions:** Enabling stablecoin issuance and replacing the existing fintech licence by removing the CHF 100 million public deposit threshold.
- **Crypto-Institutions:** Covering trading, custody, and operation of organised crypto-asset trading infrastructure, similar to securities firm licences.

In January 2026, FINMA published guidance on the custody of crypto-assets, providing regulated institutions with enhanced clarity on the Swiss prudential expectations applicable to this service. The guidance outlines best practice standards for managing operational and legal risks regarding cybersecurity resilience and asset protection in insolvency scenarios. It sets out the different requirements across banks, asset managers, and institutions subject to the Collective Investment Schemes Act (CISA).

In addition, FINMA reiterates the regulatory framework applicable to crypto-based structured products, including crypto-ETPs, setting out the Swiss regulatory treatment of crypto-based structured products, including crypto-ETPs.

Switzerland (continued)

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Switzerland has had an established digital asset framework for several years, so the focus is increasingly on how it evolves alongside new market models. The DLT framework, stablecoin guidance and recent custody developments give firms a clear base, while MiCAR adds another layer for businesses serving EU clients.

Firms operating across Switzerland and the EU need to be clear on where each regime applies and how they interact in practice.

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Taiwan



Regulatory strategy and roadmap

Taiwan has enacted the Virtual Asset Service Provider Act (VASP Act), establishing a dedicated regulatory framework for its virtual asset industry. Previously, virtual asset service providers (VASPs) were only required to register under the Anti-Money Laundering Act; the legislation upgrades this to a full “prior approval” licensing system. The legislation also covers critical regulations such as stablecoin issuance and investor protection measures. Also, financial institutions are permitted to apply for licences to concurrently operate as VASPs.

Before the introduction of the VASP Act, Taiwan’s supervision and administration had progressed across three evolving phases. The first phase involved compliance declarations for anti-money laundering regulations, the second phase was the establishment of a VASP association and self-regulatory standards, and the third phase required VASPs to register with the regulatory authority to continue operations. Registration conditions include the anti-money laundering framework and related internal control systems. As at October 2026, the VASP Act leads the market to the fourth phase, with a thorough regulatory regime being launched.

In addition to VASP-related regulations, the Taiwan Stock Exchange has issued a package of internal control guidelines for listed companies holding cryptocurrencies. These guidelines address management procedures, virtual wallet creation and private key management, accounting treatments, and information security, aiming to facilitate compliance and risk governance for digital asset activities among listed firms. Meanwhile, guidelines on the accounting treatment of stablecoin transactions have also been introduced. These guidelines collectively contribute to the development of the ecosystem.



Regulatory perimeter and authorisation

Under the VASP Act, the licensing categories include virtual asset exchanges, trading platforms, transfer services, custody, underwriting, lending, and others. Each business type carries different risk profiles and regulatory requirements, with the Financial Supervisory Commission (FSC) expected to issue detailed subsidiary regulations.

The sub-regulations under the VASP framework include standards for VASP establishment, management measures, guidelines for implementing internal control systems, rules governing the qualifications and management of responsible persons and business personnel, association management regulations, standards and procedures for VASP financial reporting and filing, as well as licensing and management measures for stablecoins.

Taiwan (continued)



Conduct, prudential and market regulation

In the VASP Act, a single regulatory framework is introduced for VASP operators, including virtual asset exchanges, platform providers, transfer agents, custodians, underwriters, and lenders. The FSC is designated as the regulatory authority, addressing the following focuses:

- **Financial innovation:** To promote inclusive finance and fintech innovations, VASP operators can apply for innovative experiments in virtual asset services, with the regulatory authority considering experimental results when adjusting relevant regulations.
- **Licensing system:** Under the VASP Act, a VASP licence is a prerequisite for conducting VA-related businesses. The Act also states that financial institutions may, upon approval from the regulatory authority, concurrently operate VA services.
- **Financial conditions:** VASPs shall deposit operational guarantees with financial institutions, adhere to liability ratio limits, and store collected fiat currency in dedicated deposit accounts at financial institutions.
- **Governance environment:** VASPs are required to establish internal control, information systems security management, and audit systems, with financial reports audited and verified by certified public accountants (CPAs) being regularly published. Custodians must perform regular reconciliations and appoint CPAs to issue custody-status reports.

The overall regulatory framework incorporates the International Organization of Securities Commissions' (IOSCO) recommendations by introducing sections on investor protection, assigning VASP operators responsibility for maintaining internal controls and providing public investment information, enhancing international regulatory cooperation, and requiring industry associations to uphold self-regulatory principles to facilitate healthy industry development and maintain market integrity.



Digital money

In the VASP Act, there is a chapter dedicated to the issuance and management of stablecoins. In the future, stablecoins will need to be permitted by the FSC and the central bank for issuance, so that VASPs can offer transaction or custodial services. Algorithmic stablecoins are excluded from the compliance scope, and stablecoin issuers should establish and maintain sufficient reserve assets, which must be stored at domestic financial institutions. These reserve assets must be segregated from the VASP's own assets and be subject to regular audits. Although VASPs are qualified to apply for acting as stablecoin issuers under the VASP Act, from the FSC's standpoint and a prudential regulatory perspective, banks would be preferred as the first batch of stablecoin issuers.

In parallel with the Central Bank Digital Currency (CBDC), the central bank is conducting research and engaging with the public regarding retail and wholesale CBDCs. There is ongoing research into potential application scenarios, platform usage technologies, and ecosystem planning, but no definitive conclusions have been reached yet. Given the current ubiquity of financial payment systems, there is no immediate urgency for retail CBDCs. The focus on wholesale CBDCs is to enhance clearing and settlement efficiency of tokenized assets, considering the asset tokenization trend.

Taiwan (continued)



Implementation and outlook

- To strengthen VASPs' internal control systems for the segregation and custody of assets, and to facilitate regular audits conducted by CPAs, relevant regulatory guidelines will be issued.
- Stablecoins and CBDCs may coexist, with stablecoins issued by the private sector under the VASP Act, while CBDCs are issued by the Central Bank as legal tender digital fiat.
- With an increasing number of publicly listed companies discussing the possibility of increasing Bitcoin reserves or using stablecoins as tools for cross-border financial payments, additional application guidelines are expected to be introduced to the market.
- The participation of financial institutions, particularly banks, in VASP business activities may reshape the dynamics of the virtual asset market, while providing stronger protection to virtual asset holders.

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Thailand



Regulatory strategy and roadmap



Regulatory perimeter and authorisation



Conduct, prudential and market regulation

The government aims to drive digital transformation and position Thailand as an innovation hub, while maintaining investor protection, market integrity, and financial stability. To support this direction, the Emergency Decree on Digital Asset Businesses B.E. 2561 (2018) establishes clear legal definitions, licensing requirements, and supervisory responsibilities for digital asset intermediaries. Building on this foundation, the framework is complemented by coordinated guidance from the Securities and Exchange Commission (SEC) and the Bank of Thailand (BOT), particularly in areas of tokenized finance, electronic money, and digital money.

Thailand has developed a regulatory framework to keep pace with the rapid growth of digital assets. The aim is to support innovation while enabling proper supervision and investor protection. The key laws governing this area are outlined below.

The core legal framework governing digital assets in Thailand is the Emergency Decree on Digital Asset Businesses B.E. 2561 (2018), which defines “digital assets” as comprising two main categories:

- Cryptocurrencies – used as a medium of exchange for goods, services, or other digital assets.
- Digital Tokens (referred to in this article as ‘tokenized finance’) – representing rights, further divided into investment tokens (linked to assets or revenue) and utility tokens (linked to specific goods or services).

The Decree establishes a licensing regime for Digital Asset Business Operators. Entities conducting activities such as operating exchanges, brokerage, dealing, fund management, advisory services, initial coin offering (ICO) portals, or custodial services must obtain a licence from the Ministry of Finance, with the SEC as the primary regulator.

In addition to this, activities related to electronic money, including Thai baht-backed stablecoins, fall under the Payment Systems Act B.E. 2560 (2017), regulated by the BOT.

Digital representations of securities are governed by the Securities and Exchange Act B.E. 2535 (1992).

Apart from the Emergency Decree, the regulation of specific digital activities is split across existing financial laws of Thailand. For instance, activities related to electronic money, including Thai baht-backed stablecoin (used as a medium for payment), fall under the Payment Systems Act B.E. 2560 (2017), regulated by the BOT. The BOT has stated that such stablecoins, which may fall under the category of Electronic Money (e-Money) services, will be regulated in the same manner as e-Money and that it will manage additional risks in various dimensions. Similarly, digital representations of securities are governed by the Securities and Exchange Act B.E. 2535 (1992).

The Emergency Decree on Digital Asset Businesses B.E. 2561 (2018) empowers the SEC to regulate licensing, investor protection, information disclosure, custody, and cybersecurity standards. Licensed Digital Asset Business Operators must comply with SEC notifications covering capital adequacy, risk management, conflict-of-interest prevention, client asset segregation, and IT security.

E-Money, which is generated by topping up or transferring funds into an electronic wallet (e-Wallet) or a mobile application, is regulated by the BOT under the Payment Systems Act B.E. 2560. The BOT also oversees digital money, including Thai baht-backed stablecoins, to facilitate the safety, efficiency, and stability of the country’s payment systems.

Thailand (continued)



Digital money

Digital money refers to electronic forms of value used for payments and settlement purposes. In Thailand, digital money is regulated by the BOT, which clearly distinguishes it from digital assets, the latter being regulated by the SEC. Thai baht-backed stablecoins used for payments may be classified as electronic money, with providers required to consult the BOT before beginning operations.

Thailand is also advancing research and pilot programmes for a retail Central Bank Digital Currency (Retail CBDC). Under Project Bang Khun Phrom, there was a limited-scale pilot phase to test the use of retail CBDC among selected members of the public and merchants. This phase aimed to assess the efficiency and security of the CBDC without affecting the overall financial stability of the country during the period from 2022 to the third quarter of 2023. However, the BOT has not announced plans to launch the retail CBDC nationwide.



Tokenization and digital capital markets

Tokenized securities are regulated under the Securities and Exchange Act, while investment tokens and other digital tokens are regulated under the Emergency Decree on Digital Asset Businesses B.E. 2561 (2018). Issuers of digital tokens offered to the public must generally obtain SEC approval and comply with disclosure and offering requirements.

Investment tokens are treated similarly to traditional securities. Fundraising through an Initial Coin Offering (ICO) must be conducted via an SEC-approved ICO portal, which performs due diligence on the issuer and the project.

Utility tokens are also regulated, with requirements varying depending on whether they are ready-to-use at the time of offering and their usage.



Implementation and outlook

Thailand adopts an active and coordinated approach to digital asset regulation, continuously refining its legal and operational framework. The SEC maintains oversight over disclosure templates, custody standards, cybersecurity, advertising, and listing requirements, while the BOT develops policies on stablecoins and continues to assess Retail CBDC following completion of its pilot.

A significant development has come through various SEC Notifications. SEC Notification No. SorThor. 2/2569 requires Digital Asset Business Operators to declare to the SEC not only their major shareholders but also related persons who may exercise ultimate authority over the operators, including spouses or cohabiting couples, minor children, and persons acting in concert.

SEC Notification No. SorThor. 9/2569, which will take effect on 27 February 2027, requires Digital Asset Business Operators to collect information on customers and counterparties for digital asset transfers, transmit specified originator and beneficiary information where required, and retain relevant transfer information for at least five years for inspection by the authorities.

These notifications seek to strengthen security and reduce the risk of digital assets being used to fund illegal activities by strengthening scrutiny of controlling persons and digital asset transfers.

Thailand (continued)

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Thailand has built a relatively clear split between digital asset activity, payments and securities, with the SEC and BOT taking different roles across the market. That separation is becoming more relevant as stablecoins, tokenized securities and CBDC pilots develop in parallel.

Firms need to understand which perimeter they fall into, particularly where a product combines investment, payment and settlement features.

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Turkey



Regulatory strategy and roadmap



Regulatory perimeter and authorisation



Conduct, prudential and market regulation

Regulatory policy has progressed in stages. The Central Bank of the Republic of Türkiye (CBRT) prohibited the use of crypto assets for payments with a regulation published in April 2021. The law amending the Capital Markets Law (Law No. 7518) introduced a statutory basis for crypto assets in July 2024.

In March 2025, the Capital Markets Board of Türkiye (CMB) issued two communiqués that established licensing, prudential, and conduct requirements for crypto asset service providers (CASPs).

Law No. 7518 introduced a legal definition of crypto assets and brought CASPs within the perimeter of the CMB. CASPs, including trading platforms and custodians, must obtain establishment and operation permits from the CMB. The minimum initial capital is TRY 250 million for platforms and TRY 630 million for custodians for the year 2026. These amounts may be revised annually by the CMB.

According to the Law, CASPs are held liable for crypto asset losses arising from acts such as the operation of information systems, any kind of cyberattack, information security breaches, or any behaviour of their personnel. In cases where it is not possible to compensate for such losses from the CASPs, the members of the CASPs are held liable to the extent that the losses can be attributed to them based on their faults and the circumstances.

The CMB communiqués introduced entry and operating criteria, governance, risk management, information systems and controls, and cybersecurity controls. The communiqués also set out rules on the services and activities that CASPs may provide, the trading, custody and transfer of crypto assets, the listing of crypto assets on platforms, and capital adequacy requirements.

Primary legislation: Law No. 7518 amending the Capital Markets Law, published in the Official Gazette on 2 July 2024 (No. 32590).

Secondary legislation: Communiqué No. III-35/B.1 on the establishment and operating principles of CASPs (Official Gazette 13 March 2025, No. 32840) and Communiqué No. III-35/B.2 on operating procedures, principles and capital adequacy of CASPs (Official Gazette 13 March 2025, No. 32840).

The monetary thresholds regulated in Communiqué III-35/B.2, excluding the minimum capital requirements for platforms and custodians, are summarised below:

Subject	Amount for 2026 (TRY)
Minimum crypto-asset value held on the platform by a customer to qualify for investment advisory services	60 million
Maximum value of a customer's transfer request eligible for fully automated approval	1.25 million
Customer-assets threshold triggering 1.5% additional equity requirement for custodians	1.25 billion
Equity level exempting custodians from additional equity requirement	1.9 billion

Turkey (continued)



Digital money

Related CMB decisions in 2025 clarified proof-of-reserves audit requirements for CASPs.

Payments perimeter: The CBRT's Regulation on the Disuse of Crypto Assets in Payments (Official Gazette 16 April 2021, in force 30 April 2021) prohibits using crypto assets in payments and restricts payment and electronic-money institutions from intermediating such uses.

Financial crime: The Financial Crimes Investigation Board (MASAK) applies anti-money laundering (AML) obligations to CASPs, including customer due diligence, suspicious transaction reporting, and record-keeping, under guidance first issued in May 2021, with subsequent materials including an April 2022 guide on electronic suspicious transaction reporting. Following these, MASAK introduced further controls on crypto asset transfers and, on 30 September 2025, published an updated Crypto Asset Service Providers Guide clarifying CASPs' obligations. The Guide covers (i) customer due diligence and identity verification procedures, (ii) remote identity verification methods and enhanced due diligence measures, (iii) application of the Travel Rule, (iv) time and amount restrictions on crypto asset transfers, (v) measures to be taken in business relationships with politically exposed persons, and (vi) suspicious transaction reporting, information and document provision, and compliance programme obligations.

Marketing and disclosure: CASPs must comply with CMB rules on publications, announcements, advertisements, and other commercial communications, including risk disclosures and prohibitions on misleading statements.

Custody and safeguarding: Client crypto assets may be held by authorised institutions or banks. CASPs must segregate client assets, maintain reconciliation systems, and meet capital-adequacy and debt-limit tests.

Stablecoins: Not established. There is no specific legislative framework for fiat-referenced stablecoins. The CBRT has not formally stated whether a stablecoin pegged to a fiat currency would constitute electronic money under Law No. 6493 (classification unclear).

Central Bank digital currency (CBDC): The CBRT published a call for participation in the Digital Turkish Lira project ecosystem on 3 September 2025 (Call), seeking proposals from banks, payment and electronic-money institutions to inform Second-Phase use-case development.

The CBRT published its Digital Turkish Lira Second-Phase Progress Report on 24 November 2025. The report provides an overview of the progress made across key workstreams, including programmable and offline payments, integration with financial intermediaries, and cross-border payments.

The CBRT announced the application results of the Call for Participation on 3 August 2026. Following the evaluation of the documents and presentations submitted in the second stage, 23 projects from 12 banks and 6 payment and electronic money institutions were admitted to the third stage, covering development activities and sandbox testing.



Tokenization and digital capital markets

Tokenized securities and other capital markets instruments: Not established as a dedicated regime. Where a token qualifies as a capital markets instrument, it would fall under the Capital Markets Law and relevant CMB communiqués. As of October 2026, the CMB has not issued instrument-specific rules for tokenized shares, bonds, or fund units.

Turkey (continued)



Implementation and outlook

The CMB communiqués entered into force with staggered effective dates in 2025. Many obligations, including key operational, systems and capital requirements, were scheduled to apply by 30 June 2025, with additional transitional provisions and clarifications issued by the CMB during 2025 (for example on proof-of-reserves audits). Ongoing supervisory focus areas include safeguarding of client assets, listing principles, cross-border provision of services and information-systems resilience.

Overall outlook: The framework now provides a licensing and prudential baseline for platforms and custodians, while payments use remains prohibited. As of October 2026, stablecoin classification and detailed rules for tokenized securities are the main outstanding gaps for policy development.

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Türkiye now has a much clearer operating framework for crypto asset service providers, with licensing, capital, custody and conduct requirements in place. The boundary around payments remains firm, while stablecoins and the Digital Turkish Lira are developing on separate tracks. For firms, getting the product classification and permitted service model right at the outset is critical.

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Ukraine



Regulatory strategy and roadmap

The Law of Ukraine “On Virtual Assets” (VA Law), adopted on 17 February 2022, would establish the legal framework for virtual assets once effective. However, the VA Law will become effective only upon the enactment of amendments to the Tax Code of Ukraine concerning the taxation of virtual assets. As of October 2026, these amendments have not been enacted.

In September 2025, the Verkhovna Rada of Ukraine (VRU) adopted Draft Law No. 10225-d as a basis at first reading. The draft provides for thorough regulation of the virtual asset and cryptocurrency markets. Its second reading and final adoption remain pending. Despite statements from the Committee on Finance, Taxation and Customs Policy of the VRU that the draft would be adopted in August 2026, as of October 2026, the draft remains pending its second reading and no alternative bills have been registered.

Further amendments to the VA Law remain necessary to establish the intended regulatory framework. The reforms are based on EU legislation and are intended to align with the EU acquis and Financial Action Task Force (FATF) standards. These measures also address market regulation, investor protection, and the effective combating of economic crimes.

The regulation of the virtual asset market forms part of the broader anti-money laundering and counter-terrorist financing (AML/CFT) reform and is intended to align Ukraine’s legislation with the EU acquis and FATF standards, while establishing a clear framework for the issuance and circulation of virtual assets.



Regulatory perimeter and authorisation

Upon its entry into force, the VA Law would define virtual assets (VAs), establish a legal perimeter for their regulation and classify virtual assets into the following categories:

1. Unsecured virtual assets, which do not certify property rights.
2. Secured virtual assets, which certify property rights and include:
 - Secured virtual assets backed by currency values (SVA(CV)).
 - Secured virtual assets backed by securities or derivative financial instruments (SVA(FI)).
3. Upon the VA Law’s entry into force, virtual asset service providers would be required to obtain licences to operate. Regulatory responsibilities would be divided between the following authorities:
 - The National Bank of Ukraine (NBU) would regulate secured virtual assets backed by currency values, and
 - The National Securities and Stock Market Commission of Ukraine (NSSMC) would regulate other categories of virtual assets.



Conduct, prudential and market regulation

Although VASPs are already subject to certain AML/CFT obligations under Ukrainian law, the thorough licensing and prudential regime is not yet operational. Draft Law No. 10225-d remains under preparation for its second reading. The draft would establish a thorough supervisory framework aligned with the EU Markets in Crypto-Assets Regulation (MiCAR). It would introduce prudential requirements, including minimum capital and liquidity thresholds, and would impose corporate governance standards such as transparent ownership, managerial integrity and effective internal controls. To protect consumers and facilitate market integrity, it would require the segregation of client assets and risk disclosure through white papers, and would prohibit market manipulation.

Ukraine (continued)



Digital money

The NBU is developing a central bank digital currency (CBDC), known as the e-hryvnia. Its introduction in 2027 remains uncertain in light of the war in Ukraine. The NBU continues to research and develop the e-hryvnia pilot project, drawing on international best practices and focusing on resilience and operational efficiency. The full deployment of the e-hryvnia remains contingent on the cessation of hostilities and the stabilisation of the national economy.

Alongside the CBDC, the VA Law, upon its entry into force, would provide for secured virtual assets backed by currency values, which may include certain forms of stablecoins. Virtual assets would not constitute legal tender in Ukraine, while Draft Law No. 10225-d envisages restrictions on the use of stablecoins as a means of payment for goods or services.



Tokenization and digital capital markets

As of October 2026, there is no dedicated legislative framework for tokenized finance in Ukraine. The NSSMC intends to submit a draft law on distributed ledger technology (DLT) by the end of 2026, aimed at enabling trading in shares, securities, and virtual assets through a simplified system as an alternative to the current depository model.



Implementation and outlook

The legislative framework is expected to develop further through consideration of Draft Law No. 10225-d. The draft remains under preparation for its second reading, following its approval at first reading in 2025. Its adoption would clarify regulatory responsibilities, taxation issues, and the legal status of virtual assets, providing the basis for formalising market operations. The NBU continues to work on the e-hryvnia, including preparations for a pilot project.

The war in Ukraine continues to affect economic stability and the pace of legislative and regulatory implementation. The timing of further market development will remain dependent on legislative progress, as well as the security and economic environment.

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United Arab Emirates



Regulatory strategy and roadmap

The UAE regulates virtual assets (VAs) within a broader strategy to build a globally competitive digital economy. It has chosen a federated model rather than a single national regulator. At the federal level, the Central Bank of the UAE (CBUAE) regulates payments, payment tokens and VA-based payment services. The Capital Market Authority (CMA) succeeded the Securities and Commodities Authority (SCA) in 2026 and regulates VA investment activity and VA service providers (VASPs). At emirate level, the Virtual Assets Regulatory Authority (VARA), established under Dubai Law No. 4 of 2022, positions Dubai as the UAE's innovation hub for VAs, and its mission explicitly targets promoting Dubai as a global VA hub.

The UAE's two common law financial free zones each have their own independent regulator. In the Abu Dhabi Global Market (ADGM) this is the Financial Services Regulatory Authority (FSRA), and in the Dubai International Financial Centre (DIFC) it is the Dubai Financial Services Authority (DFSA). Both have reached a mature supervisory phase for VAs, built on principles-based supervision that holds firms accountable. In 2026, the UAE's regulatory framework developed further. The new federal capital markets legislation took effect, the CMA introduced a thorough VA framework, and the CBUAE's expanded perimeter for technology-enabled financial activities became operational. The FSRA, DFSA and VARA also advanced their frameworks for stablecoins, staking, crypto-asset derivatives and tokenized financial instruments.



Regulatory perimeter and authorisation

The UAE has developed a multi-tier authorisation system for VA activities:

- **Federal, CMA:** The CMA is the federal VASP regulator for the mainland, excluding the financial free zones. It has delegated VASP regulation and supervision in Dubai, outside the DIFC, to VARA under Cabinet Resolution No. 112 of 2022. Cabinet Resolutions No. 111 and No. 112 of 2022 remain in force to the extent that they are consistent with the capital markets legislation. In 2026, the CMA issued its Virtual Assets Framework (Decision No. 4/R.M/2026), which replaced the previous federal VA regime in full. The framework has five modules covering general requirements, conduct of business, alternative trading systems, AML/CFT, and prudential requirements. It also expands the scope of regulated VA activities to eight separately licensed activities. Under the new capital markets legislation, a VA must be registered with the CMA and included in the official list of VAs of a licensed VA platform approved by the CMA before it may be traded in the UAE. The CMA's rules on security tokens and commodity token contracts further bring tokenization within the securities law perimeter.
- **Federal, CBUAE:** Federal Decree-Law No. 6 of 2025 brings within the CBUAE's licensing perimeter any person who carries on or facilitates a licensed financial activity, whatever the technology used, including payment services using VAs. The decree-law does not apply in the financial free zones. Existing operators had until September 2026 to comply with its provisions on VA payments and decentralised finance (DeFi), or to cease those activities.
- **Emirate level, VARA:** VARA is the competent authority for VA activities in Dubai, covering the mainland and the commercial free zones but excluding the DIFC. Its Virtual Assets and Related Activities Regulations 2023 create a dedicated licensing and supervisory framework for eight regulated VA activities, supported by compulsory and activity-specific rulebooks. The framework sets requirements on governance, financial resources, client asset protection, market conduct, technology, cybersecurity, and AML/CFT compliance. VARA also maintains a dedicated marketing framework for the promotion of VAs and related services in Dubai.

United Arab Emirates (continued)



Conduct, prudential and market regulation

- **Financial free zones, FSRA and DFSA:** In ADGM, VAs are treated as commodities, and activities such as operating a multilateral trading facility, dealing, custody, and advising require FSRA authorisation. Only accepted VAs may be offered to clients. In the DIFC, the DFSA regulates crypto tokens under its Crypto Token regime and tokenized securities under its Investment Token regime.
- **Ras Al Khaimah, Innovation City:** Innovation City was established under RAK Law No. 2 of 2023 and renamed from RAK Digital Assets Oasis. It is the UAE's first free zone dedicated to digital and VA companies. It licenses unregulated Web3, blockchain, DAO and AI activities, while regulated VASP activities such as custody, exchange, and brokerage remain subject to federal licensing. Its DAO Association Regime gives DAOs legal personality under a tiered structure, and licensees remain subject to federal AML/CFT obligations.

VARA's regime combines Compulsory Rulebooks, which apply to all licensees, with activity-specific rulebooks for each licensed activity. Together they cover governance, compliance and risk management, technology, market conduct, client asset protection and consumer safeguards. Its Marketing Regulations govern the promotion of VAs and related services in Dubai. Its public alerts and enforcement actions show an active approach to unlicensed activity and non-compliant marketing. In 2026, VARA added dedicated rules for exchange-traded derivatives, covering client suitability, margin and leverage limits, perpetual ETDs and insurance funds. Offering ETDs now requires express VARA approval.

VARA also strengthened its supervisory guidance on AML/CFT business risk assessments. Following a thematic review of proof-of-reserve reports, it set minimum expectations for the independent audit of reserve assets. These address the requirement that reserves equal 100% of client liabilities, are held one-to-one in the same VA and are reconciled daily. Together, these measures show an increasing focus on whether regulatory safeguards work in practice.

At the federal level, the CMA's Virtual Assets Framework introduces dedicated prudential, conduct-of-business, and AML/CFT requirements. These include standards for capital adequacy, governance, risk management, investor protection, and market integrity. Its Alternative Trading System module sets additional requirements for trading venues, including facilities for VAs and tokenized securities. The new capital markets legislation also modernises the federal market abuse framework.

The financial free zones follow a governance-intensive model. In the DIFC, the DFSA's updated Crypto Token rules took effect in 2026. They replaced the regulator-maintained approved token list with documented suitability assessments by firms, placing responsibility for product governance, due diligence, and ongoing monitoring on regulated entities. In ADGM, the FSRA has refined its process for accepting VAs and its capital requirements. In 2026, it finalised a staking framework that specifies which authorised persons may stake client VAs, limits the rewards that may be passed to clients, and prescribes client disclosures and reporting. These sector-specific requirements operate alongside the UAE's updated federal framework for AML/CFT and counter-proliferation financing. That framework reinforces the application of financial crime controls to VAs and related services across the relevant regulatory perimeters.

United Arab Emirates (continued)



Digital money

The CBUAE regulates payment tokens under the Payment Token Services Regulation (PTSR), covering issuance, conversion, custody, and transfer services. Licensed Dirham Payment Token issuers must meet reserve, redemption, safeguarding and governance requirements. Domestic payments are generally restricted to permitted Dirham Payment Tokens, while registered Foreign Payment Tokens may be used for specified purposes, including VA purchases. The PTSR prohibits algorithmic stablecoins, privacy tokens and related services within its jurisdiction, excluding financial free zones. Federal Decree-Law No. 6 of 2025 confirms that VAs are not currency and subjects their use for payment or currency exchange to CBUAE rules. In 2026, the CBUAE permitted an AED-backed stablecoin to operate on selected VARA-regulated exchanges. In the same year, the FSRA's revised fiat-referenced token (FRT) framework took effect in ADGM, regulating FRT issuance, acceptance, and the holding or control of client FRTs by authorised firms.

Within Dubai, VARA supervises the issuance and marketing of fiat-referenced VAs, requiring reserve verification and detailed disclosures and prohibiting misleading promotions.



Tokenization and digital capital markets

For public digital money, the CBUAE is developing the Digital Dirham as a central bank digital currency (CBDC) under its Financial Infrastructure Transformation programme, supported by published policy research. Federal Decree-Law No. 6 of 2025 makes currency in digital form issued by the CBUAE legal tender for payment of any amount. References in UAE legislation to the dirham, currency or money include its digital form. The UAE is therefore building public and private digital money in parallel: a CBDC with an established legal basis, alongside fully backed private stablecoins licensed separately on the mainland and in the financial free zones.

Tokenized finance in the UAE is progressing primarily through ADGM and DIFC, where financial-instrument tokenization falls under the mandates of the FSRA and DFSA. Both regulators support the issuance, trading, and custody of tokenized securities and funds within their respective market-infrastructure frameworks. In 2026, the FSRA granted a major international exchange a Financial Services Permission to establish its tokenization hub in ADGM.

VARA regulates VAs and certain asset-backed VA issuances, but it does not supervise tokenized securities or other regulated financial instruments (which fall outside of its regulatory mandate) and remain under the CMA at the federal level. VARA's rulebooks focus on disclosure, governance, and market-conduct standards for VA issuances, while coordination with the CMA promotes clear boundaries between VASP activity and the traditional securities perimeter in Dubai (noting that the CMA covers VASP activity as well outside of Dubai). In 2026, VARA supplemented its VA Issuance Rulebook with detailed guidance on the existing Category 1 and Category 2 token issuance regimes, clarifying disclosure obligations and the responsibilities of issuers, and signed a memorandum of understanding (MoU) with a major tokenization platform for regulated real-world asset (RWA) tokenization in Dubai. VARA also obtained International Organization of Securities Commissions (IOSCO) associate membership.

Regulatory developments in the DIFC reinforce the institutional orientation of tokenized finance. The DFSA's updated Crypto Token framework, effective from January 2026, places greater responsibility on regulated firms for product governance, suitability assessment, and ongoing risk management. The DFSA launched a Tokenization Regulatory Sandbox, and in 2026 a DFSA-regulated tokenized private-markets fund was issued in the DIFC under the Investment Token regime. The DFSA also consulted on reforms to its collective investment funds framework, including the potential tokenization of fund units and underlying assets.

United Arab Emirates (continued)



Implementation and outlook

Similarly, pilot projects have emerged with VARA to foster innovation on issues such as the tokenization of RWAs, with some notable examples in the real estate space. The Dubai Land Department, VARA, and the CBUAE launched a joint pilot for blockchain-based real estate tokenization, enabling fractional property ownership in Dubai. In 2026, VARA confirmed completion of the pilot's first phase. As of October 2026, a second, controlled phase is testing further functions, including secondary-market arrangements.

The DIFC also issued its Digital Asset Law in 2024, establishing digital assets as legally recognised property and providing a clear framework for their ownership, control, transfer, and use within the DIFC. Additionally, the DIFC Courts introduced a framework for Digital Asset Wills to specifically recognise the validity of virtual asset transfers in testamentary succession.

- As of October 2026, the CMA's Virtual Assets Framework is in force, and attention is expected to turn to secondary regulation, including detailed prudential standards, enhanced disclosure requirements, and operational-resilience rules for VA platform operators and multilateral trading facilities.
- VARA's IOSCO associate membership and formalised token-issuance framework position it for deeper engagement with securities-style products. Its new exchange-traded derivatives rules and reserve-audit expectations are expected to sharpen supervisory focus on market integrity and client asset protection.
- Following Ras Al Khaimah's Innovation City model, further emirate-level initiatives are anticipated, particularly around RWA tokenization frameworks developed in coordination with the CMA across a wider range of asset categories.
- The CMA's Alternative Trading System module and its new VA registration requirements are expected to shape how tokenized securities and VAs are admitted to trading on the mainland.
- The FSRA and DFSA will continue iterative updates to their VA and Crypto Token frameworks. These will build on the FSRA's staking framework and tokenization hub authorisation, and on the DFSA's Tokenization Regulatory Sandbox and funds consultation, to enable wider institutional access, tokenized-collateral use, and secondary-market liquidity for tokenized instruments.
- With the CBUAE's perimeter now extending to emerging-technology-enabled financial activities under Federal Decree-Law No. 6 of 2025, the focus is expected to shift to interoperability between private stablecoins and the Digital Dirham, and to supervisory coordination across DeFi-adjacent payment flows.



United Arab Emirates (continued)

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05

PwC services and capabilities

PwC Services and Capabilities

01

For service providers and crypto-native companies

- End-to-end support to establish business by obtaining the relevant regulatory licenses and/or registrations.
- Value proposition and high-level target operating model (incl. market analysis, business model, strategy, capabilities, financial projections).
- Regulatory and legal support, including analysis of business plans, intended activities and/or products, filings and representation before financial authorities and execution of business strategy.
- Automated digital disclosure and transparency tools.
- Post-submission support (review feedback from the regulator and support with compliance actions).
- Growth opportunities (incl. growth and scalability in the local market).

02

For financial institutions

- Digital asset market entry strategy (incl. bank's goals and market role, competitors, regulatory landscape, business model).
- Risk and regulatory requirements (incl. digital asset risk analysis, risk framework, compliance and reporting, risk capabilities).
- Operational and organisational requirements (incl. delivery model, operational and org. changes, capability and resource needs).
- Technical requirements (incl. IT capabilities, infrastructure, integration).
- Delivery (incl. marketing strategy, implementation plan, outsourcing and other legal agreements, operations ramp-up, managed services, service provider onboarding, transaction monitoring, and compliance).
- Legal and financial services regulatory analysis and assistance, including in applications with regulators and contractual support.

03

For regulators

- Definition of the licensing, registration and supervisory framework.
- Preparation of the crypto firm onboarding plan and ongoing PMO support to facilitate interactions.
- Support to define the license and/or registration conditions from a strategic, operational, risk, and legal perspective (including benchmarking).
- Service provider review (incl. conditions eligibility and risk assessment, including checks and onchain analysis).
- Framework buildout, 'strategic' framework for licensing and supervision.
- Framework future-proofing and prototyping.
- Managed services, ongoing licensing and supervisory support.

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