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Navigating the New Frontier: A Comparative Analysis of Stablecoin and Crypto-Asset Regulation in the US and Hong Kong

March 5, 2026

As digital assets continue to reshape the global financial landscape, regulatory frameworks balancing innovation with investor protection and market integrity are taking shape. The United States and Hong Kong – two significant financial centers – offer notable case studies, each charting distinct paths toward crypto-asset regulation.

The past year has been pivotal for both jurisdictions. In the US, the enactment of the Guiding and Establishing National Innovation for US Stablecoins (GENIUS) Act in July 2025 marked a decisive shift toward federal oversight of payment stablecoin, while proposed legislation, including the Digital Asset Market Clarity Act (CLARITY Act), aims to bring clarity to the classification of digital assets and the division of regulatory responsibilities between the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC). Meanwhile, Hong Kong has advanced its "same activity, same risks, same regulation" philosophy through the implementation of its fiat-referenced stablecoin issuer regime and new licensing frameworks for virtual asset dealing, custody, advisory and management services.

This comparative analysis reveals fundamental differences in regulatory philosophy and architecture. The US has historically relied on a fragmented approach, applying existing securities and commodities frameworks to novel digital asset classes through agency guidance, enforcement actions and judicial interpretation. This fragmentation is inherent to the US federal-state system and common law tradition, where regulatory discretion and interpretive flexibility accommodate both innovation and evolving supervisory needs. The GENIUS Act represents a significant step toward harmonization in the stablecoin space, but the broader crypto-asset landscape remains in flux pending congressional action, and some degree of regulatory discretion and interpretive uncertainty will remain a structural characteristic of the US approach.

Hong Kong, by contrast, has pursued a unified, purpose-built regulatory architecture. By layering activity-specific licensing regimes over existing securities and anti-money laundering and countering the financing of terrorism (AML/CFT) frameworks, Hong Kong has created a coherent regulatory perimeter accommodating both tokenization of traditional assets and native virtual asset business models. The Securities and Futures Commission's (SFC) "A-S-P-I-Re" roadmap provides market participants with a clear trajectory for the gradual integration of virtual asset markets with traditional financial infrastructure.

The chart below provides a comparative analysis of these two jurisdictions, examining their frameworks for crypto-asset classification, licensing, stablecoin regulation, enforcement and emerging initiatives. Understanding these developments is essential for market participants, legal practitioners and policymakers navigating the evolving regulatory terrain of digital finance.

Jurisdiction	United States (US)	Hong Kong (HK)
Regulatory approach	The US regulatory landscape for crypto-assets is primarily based on traditional frameworks, including: 1. The SEC's oversight of	Hong Kong is implementing a comprehensive, risk-based framework under a "same activity, same risks, same regulation" principle, layering activity-specific

	1. The SEC's oversight of securities and the CFTC's oversight of commodity futures, each relying on existing jurisprudence and crypto-specific guidance. 2. State money transmission regulation. The US is maintaining existing regimes while transitioning toward new frameworks specifically tailored to crypto-assets. The GENIUS Act, enacted on July 8, 2025, establishes a federal framework for payment stablecoin that supplements or replaces state regulation of stablecoin issuance, but does not displace all state regulation of crypto-asset activities. As to digital asset market structure legislation aiming to establish a holistic regulatory framework for crypto-assets, a few versions of bills and discussion drafts have been released: • The CLARITY Act, introduced by the House Committee on Financial Services, which passed the house on July 17, 2025. • The discussion draft, released by the Senate Committee on Agriculture, Nutrition & Forestry on November 10, 2025, as updated by the January 21, 2026, draft (Senate Agriculture Draft), which is built on the CLARITY Act. • The discussion draft, released by the Senate Committee on Banking, Housing and Urban Affairs on July 22, 2025, as updated by the September 5, 2025, draft and further updated by the January 12, 2026, draft (Senate Banking Draft). Harmonization and further discussions on substantive provisions – including the role of the SEC and CFTC and the decentralized finance provisions – will need to occur before passage of a unified bill.	licensing and conduct standards over existing securities and AML/CFT regimes to accommodate both tokenization and native virtual asset (VA) business models, while preserving investor protection and market integrity. In addition to the dual virtual asset trading platform (VATP) licensing regime under the Securities and Futures Ordinance (SFO) and Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO), a fiat-referenced stablecoin (FRS) issuer regime took effect in August 2025. In 2026, Hong Kong is advancing new AMLO licensing regimes for VA dealing and custody and consulting on regimes for VA advisory and management, aligning requirements to SFO Type 1/4/9 paradigms covering capital, fitness and propriety, governance, conduct, AML/CFT, and client asset protection. The SFC's "A-S-P-I-Re" roadmap guides gradual integration of VA markets with traditional infrastructure, including calibrated access to global liquidity, intra-group shared order books and progressive retail access subject to product due diligence and risk disclosures. Policy is technology neutral and substance over form to prevent regulatory arbitrage.
Key regulators	Securities and Exchange Commission (SEC): Currently regulates crypto-	Securities and Futures Commission (SFC): Primary conduct and

	(SEC): Currently regulates crypto-assets that are securities or security-based swaps, securities exchanges, broker-dealers and investment advisers. **Commodity Futures Trading Commission (CFTC)**: Currently regulates crypto-assets that are commodity futures or swaps (but not the spot market, other than having general anti-fraud and anti-manipulation authority), designated contract markets, futures commission merchants, swap dealers, commodity pool operators, commodity trading advisors, etc. Under the CLARITY Act and the Senate Agriculture Draft, the CFTC would regulate "digital commodities," including both the spot market and derivatives, as well as "digital commodity exchanges," "digital commodity brokers" and "digital commodity dealers." **Stablecoin Certification Review Committee (SCRC)**: Oversees payment stablecoin issued in compliance with the GENIUS Act. **Office of the Comptroller of the Currency (OCC)**: Oversees federal nonbank permitted payment stablecoin issuers. **State banking departments**: Regulate nonbank companies engaging in payments-related crypto activities. **Financial Crimes Enforcement Network (FinCEN)**: Establishes and oversees anti-money laundering compliance program requirements for money services businesses (as well as other financial institution types).	**(SFC)**: Primary conduct and prudential regulator for VA intermediaries, VATPs and proposed AMLO licenses for dealing, custody, advisory and management. The SFC administers licensing and ongoing supervision (financial resources, governance, internal controls, client asset protection, disclosures, suitability and product due diligence), enforces active marketing restrictions and coordinates cross-border enforcement. **Hong Kong Monetary Authority (HKMA)**: Prudential supervisor of authorized institutions and regulator of FRS issuers under the 2025 regime. The HKMA oversees reserve composition, redemption mechanics, segregation of backing assets, operational resilience and wallet/payment interfaces. It also runs tokenization initiatives (e.g., Project Ensemble Sandbox) and the Fintech Supervisory Sandbox. **Other authorities**: • **Companies Registry**: Trust or Company Service Provider (TCSP) licensing, where applicable • **Hong Kong Customs and Excise Department/The Department of Justice**: AML/CFT enforcement Regulators coordinate via joint circulars and consultation conclusions to align conduct expectations for intermediaries distributing VA-related products.
Classification of crypto-assets	Under existing SEC and CFTC regulatory regimes: **Security**: Includes an "investment contract" (determined by the *Howey* test) and instruments such as stocks, bonds and transferable shares. The SEC has taken the position that bitcoin (BTC) and ethereum (ETH) are not securities, but courts have found that certain sales of tokens can be	**Security tokens**: Regulated as securities if they exhibit characteristics of traditional securities (investment contract, equity, debt). **Utility tokens**: Generally not securities, unless they have investment-like features. **Exchange tokens**: Treated as a

	classified as securities transactions under *Howey*. **Commodity**: Broadly defined to include all services, rights and interests in which contracts for future delivery are dealt. The CFTC has taken the position that BTC and ETH are commodities. **Payment stablecoin**: Under the GENIUS Act, payment stablecoin means a digital asset that is, or is designed to be, used as a means of payment or settlement, the issuer of which is obligated to convert, redeem or repurchase for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value. Such issuer will maintain, or create the reasonable expectation that it will maintain, a stable value relative to the value of a fixed amount of monetary value. Under the GENIUS Act, payment stablecoin **does not** include a digital asset that is a national currency, a deposit, including a deposit recorded using distributed ledger technology, or a security. Payment stablecoin issued in compliance with the GENIUS Act is neither a security nor a commodity. Under existing US state money transmission and virtual currency licensing laws, definitions vary, but "virtual currency" is generally defined as a digital unit used as a medium of exchange or digitally stored value that is not government-issued money but functions like money. Under the Senate Agriculture Draft: **Digital commodity**: Means any fungible digital asset that can be exclusively possessed and transferred, person to person, without necessary reliance on an intermediary, and recorded on a blockchain, including "network tokens" (as defined in the SEC rule) and "meme coins." "Digital commodities" do not include securities, security derivatives, payment stablecoin, banking deposits, traditional commodities and commodity derivatives, pooled investment vehicles, goods	**Exchange tokens**: Treated as a means of exchange; not securities unless features change (e.g., BTC). **Stablecoin**: Regulated based on structure and use; FRS subject to new licensing regime. **Non-fungible tokens (NFTs)**: Not securities unless structured as collective investment schemes or with investment features.

	investment vehicles, goods, collectibles and other noncommodity digital assets. Under the Senate Banking Draft: **Ancillary asset**: A "network token" (discussed below), the value of which is dependent upon the entrepreneurial or managerial efforts of an ancillary asset originator or related person. **Ancillary asset originator**: Generally means, with respect to a particular ancillary asset, a person that (whether directly or through one or more subsidiary or controlled entities) initially offers, sells or distributes the ancillary asset, or during the 12-month period beginning on the date on which the ancillary asset is initially offered, sold or distributed, controls or causes the initial offer, sale or distribution of that ancillary asset. **Network token**: A digital commodity that is intrinsically linked to a distributed ledger system, and that derives, or is reasonably expected to derive, its value from the use of the distributed ledger system, and is treated as a nonsecurity solely for purposes of the federal securities laws.	
Registration /licensing	SEC registrations: Currently include registration of securities offerings and classes of securities, investment advisor, national security exchange, broker- dealer, etc. The Senate Banking Draft provides that the SEC would promulgate "Regulation Crypto" to govern registration exemption for the offer and sale of ancillary assets not exceeding the greater of $50 million in annual gross proceeds for up to four years, or 10% of the total dollar value of the outstanding ancillary assets. An ancillary asset originator may not raise more than $200 million in total gross proceeds in reliance on Regulation Crypto. CFTC registrations: Currently include registration as designated contract market, futures commission merchant, introducing broker, swap dealer, commodity pool operator, commodity	**Virtual asset trading platforms (VATPs)**: Expected by the regulatory authorities to be licensed under both the SFO and AMLO. **Virtual asset fund managers**: Type 9 (asset management) license, with additional requirements for greater than 10% VA exposure. **Intermediaries**: Type 1 (dealing in securities) and/or Type 4 (advising on securities) licenses for VA activities. **Stablecoin issuers**: HKMA stablecoin license required from August 2025. **Virtual asset custodians**: TCSP license required.

	commodity pool operator, commodity trading advisor, etc. Under the CLARITY Act and the Senate Agriculture Draft, new CFTC registrations would include "digital commodity exchanges," "digital commodity brokers" and "digital commodity dealers." The GENIUS Act establishes a federal framework for payment stablecoin issuance while preserving a path for eligible state-regulated entities. Only "permitted payment stablecoin issuers" may issue payment stablecoin in the US. Subsidiaries of insured banks may issue stablecoin subject to primary federal regulator approval. Nonbanks may qualify subject to OCC approval, and entities with outstanding issuance below $10 billion may become state-qualified issuers by meeting specified criteria. Under state money transmission laws, including virtual currency-specific laws (like New York's BitLicense), persons receiving, holding, transmitting or exchanging virtual currencies generally require a money transmission license for covered activities involving persons in that state.	
Stablecoin regulation	Issuing, buying, selling, exchanging, custodying or transmitting stablecoin is generally subject to state money transmission and virtual currency licensing regimes in each state where customers are located. Under the GENIUS Act, **stablecoin issuance** is restricted to permitted payment stablecoin issuers; a state money transmission license alone is insufficient unless the state obtains certification under the GENIUS Act. While the GENIUS Act does not expressly authorize other stablecoin activities (e.g., third-party payments), state money transmission regulation is likely preempted for subsidiaries of insured depository institutions or OCC-regulated national trust companies.	The HKMA has implemented a licensing regime for FRS issuers, establishing prudential and conduct requirements for issuance and redemption to the Hong Kong public. Issuers must be incorporated in Hong Kong or be an authorized institution; maintain eligible, segregated, bankruptcy-remote reserves with clear valuation, audit/attestation and redemption-at-par standards; and implement robust governance, risk management, operational resilience, disclosure, AML/CFT and recovery/wind-down arrangements. Only HKMA-licensed issuers may offer FRS to retail customers, with wallet/payment interfaces overseen for safeguarding and segregation. Distribution by intermediaries is subject to SFC/HKMA conduct expectations. A supervisory sandbox

		expectations. A supervisory sandbox supports pilot issuance and use-case testing.
Enforcement	Active enforcement by the SEC, CFTC, Department of Justice, FinCEN, the New York Department of Financial Services and Office of Foreign Assets Control. High-profile cases against exchanges, decentralized finance protocols and token issuers. There are penalties for unregistered activity, fraud, AML breaches and sanctions violations. Active enforcement of unlicensed activity by state banking departments.	The SFC actively enforces against unlicensed VATPs, misleading claims and fraud. Penalties include fines, imprisonment and public warnings. Supervisory tools include public warnings, restriction notices, license conditions and criminal referrals. Civil remedies remain available, and Hong Kong courts grant proprietary/tracing injunctions, recognize crypto as property, and entertain winding-up and receivership applications involving digital assets. Notable actions include: • **JPEX warnings**: In September 2023, the SFC warned that no JPEX entity held or had applied for a VATP license in Hong Kong. The case was referred to police on suspicion of fraud. • **Binance**: In July 2021, the SFC warned that Binance was offering unauthorized stock token trading services, and that no Binance entity was licensed in Hong Kong.
Use of digital assets as collateral	The Uniform Commercial Code (UCC) 2022 Amendment clarifies the use of crypto-assets as collateral in secured transactions, introducing "controllable electronic records" (which include certain digital assets) and addressing perfection and priority rules. As of February 2026, 33 states in the US have adopted the UCC 2022 Amendment. On December 8, 2025, the CFTC announced a digital asset pilot program to allow the use of certain tokenized collateral, including BTC, ETH and payment stablecoin, as margin collateral by futures commission merchants (FCMs) in their derivatives positions.	Digital assets are recognized as property under Hong Kong law and may be subject to proprietary injunctions and held on trust. They may be used as collateral subject to contract, property, insolvency and regulatory requirements. Lenders typically take security by equitable charge or assignment over VAs, coupled with control arrangements (e.g., segregated wallets or regulated custodians). Perfection is achieved via notice and control mechanisms rather than registration.

	their derivatives positions.	
Sandbox/innovation initiatives	**SEC Project Crypto**: For implementation of the recommendations from the President's Working Group on Digital Asset Markets report **CFTC Crypto Sprint**: In parallel to the SEC's Project Crypto **CFTC-Listed Spot Crypto Trading Initiative**: Allows for trading of spot crypto-asset contracts, including leveraged spot contracts, on CFTC-registered designated contract markets **Digital Asset Pilot Program**: Allows the use of certain tokenized collateral, including BTC, ETH and payment stablecoin, as margin collateral by FCMs **24/7 trading**: Enables 24/7 trading on CFTC-regulated designated contract markets **Perpetual futures**: Allows for trading of perpetual futures on CFTC-registered designated contract markets	**SFC Sandbox**: For VATPs and fintech firms to test new products under regulatory supervision **HKMA Fintech Supervisory Sandbox**: For banks and tech firms to pilot fintech/blockchain solutions **Stablecoin Issuer Sandbox**: For operational testing of stablecoin issuance **Project Ensemble Sandbox**: For tokenization market pilots in asset management **IA Insurtech Sandbox**: For insurance-related blockchain pilots
Recent/upcoming regulatory developments	With the GENIUS Act enacted, US regulatory focus shifts to market structure legislation – in particular, harmonizing the various proposed bills and discussion drafts to establish a tailored crypto-asset framework, clarify SEC/CFTC responsibilities and streamline registration pathways for digital asset offerings. Other possible developments include guidance on stablecoin securities versus payment stablecoin under the GENIUS Act framework, potential clarity on token launches and airdrops, and custody and disclosure frameworks that could better accommodate blockchain-native features rather than requiring full adaptation to traditional securities infrastructure.	The Financial Services and the Treasury Bureau (FSTB) and SFC have issued consultation conclusions proposing new AMLO licensing regimes for VA dealing and custody service providers, with a hard commencement date and no deeming arrangements. A further consultation proposes separate AMLO regimes for VA advisory (modeled on SFO Type 4) and VA management (modeled on SFO Type 9) service providers. Together, these initiatives complete a unified, risk-aligned framework spanning trading, custody, advisory and management, with requirements benchmarked to SFO Type 1/4/9 standards.

		Client VA custody is expected to be provided by SFC-regulated custodians (with narrow self-custody allowances for new tokens). The SFC is tightening active marketing guardrails and advancing its "A-S-P-I-Re" program, including shared order books among licensed platforms and phased connectivity to offshore liquidity under investor-protection controls.

Conclusion

As the US and Hong Kong continue to refine their digital asset frameworks, one constant remains: The regulatory environment is evolving at extraordinary speed. Both jurisdictions are iterating policy in real time, whether through congressional negotiations over market-structure legislation in the US or Hong Kong's rapid expansion of activity-specific licensing regimes and integration of virtual assets into mainstream financial infrastructure. Market participants will need to remain agile, monitor developments closely and be prepared to recalibrate as regulatory expectations continue to shift. In this era of accelerated innovation and equally dynamic oversight, adaptability is not merely a competitive advantage but also a prerequisite for operating with confidence in the global digital asset ecosystem.

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