









Second, regulators are paying more attention to market integrity and investor protection concerns. The International Organization of Securities Commissions (IOSCO) has suggested specific areas to consider when regulating virtual asset trading platforms<sup>1</sup>. You may not be surprised to hear that these are the same areas the SFC looks at under our existing regulatory framework for virtual asset trading platforms. Just recently, Gary Gensler from the US Securities and Exchange Commission said publicly that he has made it a priority to focus on regulating crypto trading platforms.

The third area of regulatory attention is stablecoins. This follows an explosion of interest in Diem, previously known as Libra. In contrast to virtual assets like Bitcoin, which has no intrinsic value and is extremely volatile, stablecoins are relatively stable and this is a key feature of the pitch that they can make cross-border payments far less expensive. tradinThis



Should we allow retail investors to access these products through online brokers? If so, would there be additional knowledge requirements or risk disclosures?

This is just a glimpse of the regulatory issues involved. We are now reviewing the regulatory regime for virtual assets we introduced three years ago to see if it is still fit for purpose, and whether any modifications are required. We are in close contact with the Hong Kong Monetary Authority with a view to issuing a joint