Building Hong Kong's Integrated Ecosystem for Intangible Asset Development

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Is Hong Kong a Digital Asset Hub?

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Global Regulatory Landscape on Digital Assets

Jurisdiction	Stablecoins	Tokenization	Exchanges	Staking	DeFi
U.S.	High	Medium	Medium	Medium	Low
E.U.	High	High	High	Medium	Low
Japan	High	High	High	Medium	Low
India	Low	Low	Low	Low	Low
U.K.	Medium	Medium	Medium	Medium	Low
Brazil	Medium	Medium	High	Low	Low
K.S.A	Low	Low	Low	Low	Low
Switzerland	High	High	High	Medium	Medium
Singapore	High	Medium	High	High	Low
U.A.E.	High	High	High	Medium	Low
Hong Kong	High	Medium	High	Medium	Low
Qatar	Low	High	Low	Low	Low

High Clear frameworks in force **Medium** Partial/progressing **Low** Limited or not specific regulation or banned completely

Source: GFTN

Mapping Hong Kong's Web3 and digital asset development: Milestones in innovation and growth

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*Hong Kong adopts a **risk-based and prudent approach** to regulating digital assets, adhering to the principle of "**same activity, same risk, same regulation**".*

2018

Nov
- The SFC issued the **statement on regulatory framework for virtual asset portfolios managers, fund distributors and trading platform operators** to enhance investor protection.

2019

Nov
- SFC issued a formal warning on VA futures contracts.
- SFC launched the "Voluntary Opt-in Licensing Regime" for platforms which offer trading of securities-type VAs.

Dec
- The HKMA and the Bank of Thailand completed **Project Inthanon-LionRock** which studied the application of central bank digital currencies (CBDCs) for cross-border payments.

2020

May
- FSTB issued the public consultation to propose regulating VASP under the AMLO and CTFO with a license from the SFC. **Restricting to Professional Investors only in the proposal.**

Sep
- China banned all crypto trading & mining operations.

2021

Jun
- The HKMA launched **Project e-HKD** to study the prospect of extending the use of the e-HKD to retail scenarios by individuals and corporates.

Jul
- **AML and CTF (amendment) bill** introduced to the LegCo.
- SFC announced a mandatory licensing regime for VASPs seeking to hold clients' assets and provide services to these clients.

Dec
- SFC announced it will allow retail investors to trade in ETFs linked to VAs.

2022

Jan
- HKMA issued a discussion paper on crypto-assets and stablecoins.

Feb
- SFC issued a consultation paper on the proposed regulatory requirements for virtual asset trading platform operators licensed.
- SFC issued a circular to set out the requirements on VA Futures ETFs.

Oct
- **Issuance of a policy statement on virtual assets** to open and inclusive towards the global community of innovators engaging in VA businesses.

2023

Jan
- HKMA issued the consultation conclusion to the discussion paper on crypto-assets and stablecoins.

Feb
- SFC issued the public consultation on detailed regulatory requirements, including **the proposal to allow retail investors access to licensed VA trading platforms.**

Jun
- **The licensing regime for VA service providers** and other amendments on AML/CTF requirements took effect on 1 June.

Oct
- SFC and HKMA released a joint circular on intermediaries' VA-related activities. The policy is to **set out additional requirements for intermediaries providing VA services to retail investors.**

Nov
- SFC issued circulars on **tokenisation** of SFC-authorised investment products and intermediaries engaging in tokenised securities-related activities.

Dec
- The FSTB and the HKMA jointly issued a public consultation paper on the legislative proposal for implementing **the regulatory regime for fiat-referenced stablecoin issuers in Hong Kong.**

2024

Feb
- HKMA issued **new guidance on the provision of digital asset custodial services** and the transaction and distribution of tokenised products.

Mar
- HKMA introduced **the stablecoin issuer sandbox arrangement** in March, with the aim of conveying regulatory guidelines to parties interested in issuing fiat-referenced stablecoins in Hong Kong.

Jun
- **Project mBridge reached the MVP stage.** Developed through collaboration between the HKMA and several partner central banks, the project explores how CBDCs and innovative technologies can address key challenges in cross-border payments.

Jul
- **FSTB and HKMA jointly issued a consultation conclusions on the legislative proposal** to implement a regulatory regime for fiat stablecoin issuers in Hong Kong.

Aug
- **The HKMA launched Project Ensemble**, a financial market infrastructure project. Through sandbox testing, the Project allows participating financial institutions to explore tokenisation use cases in actual business scenarios.

Sep
- Project e-HKD is renamed as **Project e-HKD+**, as the project expands its coverage from an e-HKD only to a more comprehensive exploration of the digital money ecosystem.

Oct
- FSTB issued **a policy statement on responsible application of artificial intelligence (AI) in the financial market.**

Nov
- The HKMA launched the **Digital Bond Grant Scheme**; a maximum grant of HK$2.5 million will be offered to each eligible digital bond issuance in Hong Kong.

2025

Feb
- The SFC sets out **"ASPIRe" roadmap** (stands for **A**ccess, **S**afeguards, **P**roducts, **I**nfrastructure and **Re**lationships); outlined 12 major initiatives to enhance the security, innovation and growth of HK's VA market.

May
- The passage of the Stablecoins Bill for establishing a licensing regime for issuers of stablecoins pegged to fiat currencies in Hong Kong

Jun
- **The Policy Statement 2.0 on the Development of Digital Assets in Hong Kong introduces the "LEAP" framework**, setting out a vision for a trusted and innovative DA ecosystem that prioritises risk management and investor protection
- The People's Bank of China and HKMA launched the **Payment Connect** to facilitate real-time cross-boundary payment of residents in both places for daily services such as travel, retail and dining.

Aug
- **The Stablecoins Ordinance** came into effect. Globally, Hong Kong is among the first jurisdictions to put in place a regulatory regime for stablecoin issuers.

Oct
- **The HKMA completes e-HKD Pilot Programme** which explored innovative use cases across three main themes, namely **settlement of tokenised assets, programmability, and offline payments.**

Nov
- The **"Fintech 2030"** was unveiled, focusing on four strategic pillars – "**D**ata", "**A**rtificial Intelligence", "**R**esilience", and "**T**okenisation" (**"DART"**)

Digital asset ecosystem in Hong Kong

Policy and regulatory regime

Digital assets sector in Hong Kong

Virtual assets trading providers

- Regulatory regime for VATP under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance
- Administered by the Securities and Futures Commission
- **VATP regime became effective in June 2023**

Fiat-referenced stablecoin issuers

- Regulatory regime under the new Stablecoin Ordinance
- Administered by the Hong Kong Monetary Authority
- **Passed the Stablecoins Bill in May 2025 and commenced operation on 1 August 2025**

VA dealing activities (including OTC) and custody

- Public consultation launched for the regulatory frameworks

Industry at a glance

13 *virtual asset ETFs listed on HKEX (as of Oct 2025)*

HK$6.9billion *AUM for virtual asset ETFs (as of Oct 2025)*

11 *licensed virtual asset trading platforms*

1. OSL Exchange (Dec 2020)
2. Hashkey Exchange (Nov 2022)
3. HKVAX (Oct 2024)
4. HkbitEX (Dec 2024)
5. Accumulus (Dec 2024)
6. DFX Labs (Dec 2024)
7. EX.IO (Dec 2024)
8. PantherTrade (Jan 2025)
9. YAX (Jan 2025)
10. Bullish (Feb 2025)
11. Hong Kong BGE (Jun 2025)

Key initiatives

e-HKD Pilot Programme

- Add value to the payment ecosystem – programmability, tokenisation, atomic settlement
- Completed 13 pilots in phase 1 and has commenced phase 2 in 2024

Project mBridge

- Linking economies through CBDC
- Entering the **minimum viable product** phase in June 2024, while expanding its international coverage
- Founding members include HKMA, PBoC, Bank of Thailand and Central Bank of the UAE. The **Central Bank of Saudi Arabia** joined the MVP platform in 2024

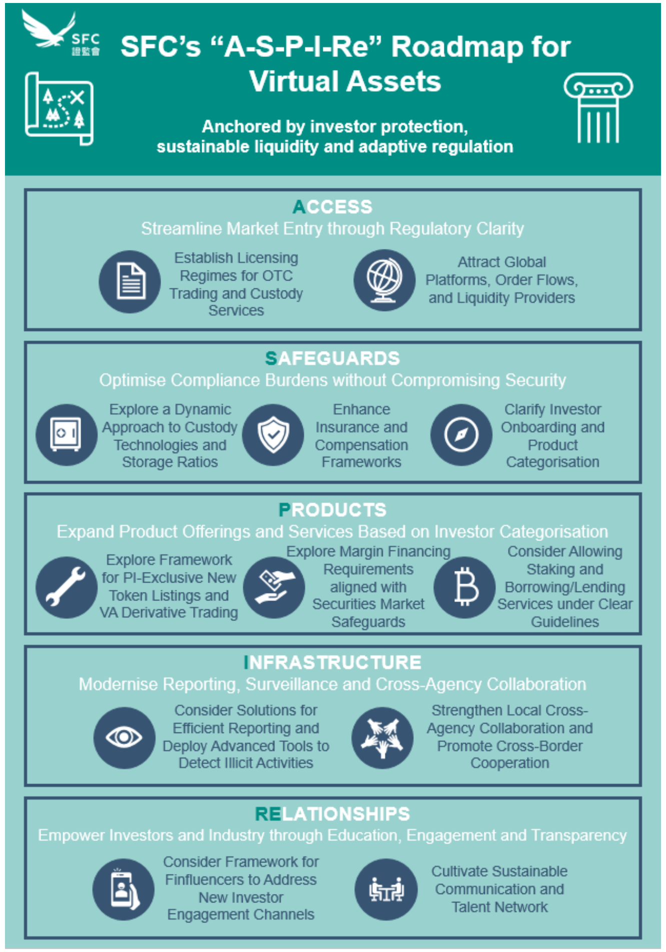
Project Ensemble

- Project launched in Mar 2024, a wholesale CBDC project to support RWA tokenisation development
- 4 main themes: fixed income and investment funds, liquidity management, green and sustainable finance, trade and supply chain finance
- Sandbox launched in Aug 2024; 36 participants with 20 tokenisation projects as of Apr 2025
- Nov 2025 announced the launch of EnsembleTX, a pilots phase to support real-value transactions in tokenised deposits and digital assets

Latest measures

- Feb 2025: The **"ASPIRe" Roadmap** was launched to focus on five key areas: Access, Safeguards, Products, Infrastructure, and Relationships
- Jun 2025: **Policy Statement 2.0 on Digital Assets** was issued, introducing the "LEAP" framework, which aims to streamline legal and regulatory processes, expand tokenised products, promote use cases and collaboration across sectors, and develop people and partnerships

Concerted efforts of the Government and regulators



Positionality matters

Risk Metrics for Stablecoins, Tokenized Deposits, and CBDCs

Assessment Parameter	Stablecoins	Tokenized Deposits	CBDCs
Regulatory & Legal Uncertainty	**Medium** Example: Global regulatory challenges faced by Tether and other stablecoins.	**Medium** Example: Regulatory clarity needed for bank-issued deposit tokens.	**Low** Example: Clear regulatory oversight established by ECB's Digital Euro project.
Credit & Counterparty Risk	**Medium** Example: Transparency concerns regarding stablecoin reserves (e.g. TerraUSD).	**Medium** Example: Tokenized deposits vulnerable to issuer-bank insolvency risks.	**Low** Example: Central bank-backed assets minimise credit risk in CBDCs.
Cybersecurity & Fraud Vulnerability	**Medium** Example: Security vulnerabilities such as compromised smart contracts or custodial breaches.	**Medium** Example: Security threats due to integration with legacy banking systems.	**Medium** Example: Cybersecurity concerns influencing the design of central bank digital currencies.
Operational Complexity & Integration Risks	**High** Example: Network congestion causing delays in stablecoin transactions (Ethereum).	**Medium** Example: Complex integration processes with traditional banking infrastructure (Citi Token Services for Cash and Citi Token Services for Trade).	**Medium** Example: Challenges anticipated in integrating CBDCs with existing payment systems.
Privacy & Surveillance Concerns	**Medium** Example: Public transparency on blockchain ledgers for stablecoins.	**Medium** Example: Privacy balanced with regulatory transparency requirements.	**High** Example: Significant public concerns regarding potential surveillance by central banks (e.g. digital Yuan).

Source: GFTN Analysis

Emerging Landscape of Real-World Asset Tokenization - Illustrative Asset Class Categories

Financial Instruments

Traditional financial assets that are legally defined and widely used in capital markets

Sovereign Debt
- Treasury Bills (e.g., USD T Bills)
- Government Bonds (local & international)
- Green/ESG-linked Government Bonds

Corporate Debt
- Investment-Grade Bonds
- High-Yield Bonds
- Commercial Paper

Equities
- Publicly Listed Stocks
- Tokenized Equity Derivatives
- Private Equity Shares

Funds & Structured Products
- Tokenized ETFs (e.g., iShares, SPY)
- Tokenized Mutual Funds
- Structured Notes (e.g., barrier options, credit-linked notes)

Loans & Credit
- Mortgage-Backed Loans
- Trade Finance Loans
- Provate Credit/Direct Lending
- Peer-to-Peer Lean Pools

Receivables & Cash Flows

Assets tied future cash flow or claims, typically shorter-dated and linked to real-world contracts.

Trade Receivables
- Invoice Factoring
- Supply Chain Finance

Revenue-Backed Assets
- Toll/Utility Revenue Streams
- Real Estate Rent Flows

Royalty Streams
- Pharmaceuticals (patent royalties)
- Content Licensing (e.g., Netflix, Spotify IP pools)

Real Assets

Physical assets with intrinsic value, often used for income generation, appreciation, or collaterals.

Real Estate
- Residential (fractional homes, REIT shares)
- Commercial (office towers, warehouses)
- Mixed-Use & Hospitality (hotels, malls)
- Land & Plots (undeveloped, agricultural)

Infrastructure
- Utilities (power grids, water systems)
- Transport Assets (airport, toll roads)
- Renewable Energy (solar farms, wind turbines)

Commodities
- Precious Metals (gold, silver, platinum)
- Industrial Metals (copper, lithium)
- Oil & Gas (reserves, barrier, refineries)
- Agricultural (grain, coffee, soy)

Intangible Assets & Rights

Legally recognized intangible assets with clear ownership and cash flow potential, making them increasingly suitable for tokenization.

Intellectual Property
- Music Royalties
- Film/TV Distributuin Rights
- Software/IP Licensing Streams

Carbon and Environmental Assets
- CarbonCredits (Voluntary & Regulated)
- Renewable Energy Certificates
- Nature-Based Assets (e.g., biodiversity units)

Usage or Access Rights
- Spectrum Rights (telecom)
- Water Rights
- Emissions or Pollution Quotas

Alternative & Emerging RWAs

New or less-liquid asset classes now being explored in tokenized finance.

Luxury & Collectibles
- Tokenized Diamonds, Emeralds (e.g., GEMs)
- Tokenized Wine/Whiskey (e.g., BlockBar)
- Rare Vehicles or Watches

Tokenized ESG Projects
- Community Solar Projects
- Sustainable Agriculture Yields

Tokenized Insurance Risk
- Parametric Insurance Pools
- CAT Bonds (catastrophe-linked)

Staking of RWA-Backed Assets
- RWA vaults in DeFi protocols
- Tokenized tranches in structured DeFi (e.g., real estate pools on Centrifuge)

Note: This table outlines the broad potential of RWA tokenization. Some categories already have live examples in the market, while others represent emerging or future possibilities as infrastructure, legal clarity, and market demand evolve.

Source: GFTN Analysis

Can We Become A Intellectual Property Trading Centre?

Strategic policy initiatives for advancing IP trading in Hong Kong

The 14th Five-Year Plan supports Hong Kong's development into a regional IP trading centre, a key component of its role as an "eight centres" hub.

Policy initiatives outlined in Policy Addresses

Enhancing the IP protection regime
- Strengthening the IP protection regime for trademarks, patents, designs, and copyrights in Hong Kong

Implementing the "Patent box" tax incentive
- Reduced the tax rate for assessable profits from eligible IP income derived from eligible IPs (i.e. patents, plant variety rights and copyright subsisting in software) from 16.5% to 5%

Building capacity
- Offering a series of IP Training Programmes to build up the IP manpower capacity in the businesses, especially SMEs, to adopt good IP management into their overall business strategy

Promoting Hong Kong's IP trading widely
- Organising various events and activities, including World Intellectual Property Day, Business of IP Asia Forum, Symposiums, forums or seminars jointly organised with the Association of Southeast Asian Nations and with Mainland authorities etc

Planning to Establish a WIPO Technology and Innovation Support Centre (TISC)

Facilitation measures with Mainland authorities

- Pilot project for prioritising examination of qualified invention patent applications filed by Hong Kong applicants in the Mainland
- Guangdong Administration for Market Regulation (Guangdong Intellectual Property Administration) has launched Hong Kong SAR Intellectual Property Enquiry Points on 20 October 2021
- IPD has launched a designated electronic mailbox for handling general enquiries relating to application for trademark registration in the Mainland on 1 February 2023. Since 1 April 2025, the mailbox also covers the general enquiry service relating to application for patent registration
- Hong Kong's innovation and technology sector to benefit from Mainland's expedited patent pre-examination service starting 30 June 2025

16 Co-operation Measures for the Development of the Qianhai Shenzhen-Hong Kong Intellectual Property and Innovation Hub

Promote the harmonisation of IP rules and systems between Shenzhen and Hong Kong	Support the exploitation and transformation of Hong Kong's IP in Qianhai
Foster cross-boundary IP services	Develop the Qianhai Shenzhen-Hong Kong IP and Innovation Hub

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Trademarks, Patents, Copyrights, Licensing agreements, etc.

IP Valuation

Loan Application

Approval Process

Disbursement

Repayment

Collateral-Based

Flexible Use

Valuation-Driven

Technology

Pharmaceuticals

Entertainment

Consumer Goods

E-Commerce

IP Financing vs Traditional Loans

Feature	IP Financing	Traditional Financing
Collateral	Intellectual property	Fixed assets or credit-based
Loan Amount	Based on IP value	Based on creditworthiness
Repayment Terms	Flexible, IP revenue-aligned	Fixed
Ownership Impact	Retain ownership	May require asset sales
Approval Process	Requires IP valuation	Based on credit and financials

Source: FSDC, eCapital

Common challenges/ considerations facing the IP and digital asset development

Legal & Regulatory Concerns

- Fragmented regulations across jurisdictions (Hong Kong vs. Mainland vs. global standards)
- Evolving compliance requirements for tokenisation and IP trading

Valuation Complexity

- Industry seeking standardised/systematic methods for valuing patents, trademarks, or tokenised assets
- Volatility in digital asset prices and difficulty in assessing IP's future revenue potential

Risk Management

- Limited credit risk models for intangible collateral
- Cybersecurity risks for digital assets; infringement risks for IP
- Limited insurance products tailored for these asset classes

Market Adoption

- Low awareness among SMEs about leveraging IP or tokenised assets for financing
- Hesitancy from traditional banks due to unfamiliarity and perceived risk – Industry seeking frameworks for recognising IP and digital assets as secured collateral

Infrastructure Gaps

- Integration of traditional and tech platforms for interoperability
- Lack of interoperable registries for IP ownership and digital asset transactions

Cross-Border Coordination

- Divergent legal systems and standards hinder seamless IP and digital asset transactions
- Challenges in enforcing rights and collateral across jurisdictions

Key stakeholders for building a vibrant ecosystem for intangible assets development in Hong Kong

Mutual Stakeholders

Government & Policy Bodies

Regulators

Financial Institutions

Industry Associations & Think Tanks

IP Trading & Financing Hub

IP Developers:
Startups, Universities, Research Institutions, SMEs, Tech Companies…

Investors:
Venture Capital Firms, Private Equity Funds, Angel Investors, Family offices…

Professional services:
Valuation, Legal, Tax, Insurance…

Digital Assets Hub

Market Infrastructure Providers:
Blockchain/DLT Platforms, Custody Providers…

Technology & Innovation Incubators:
Cyberport, HKSTP…

Professional services:
Legal, Risk, Insurance…

Thank you

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