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MEDIA RELEASE

MAS Finalises Stablecoin Regulatory Framework

Singapore, 15 August 2023... The Monetary Authority of Singapore (MAS) today announced the features of a new regulatory framework that seeks to ensure a high degree of value stability for stablecoins regulated in Singapore. The regulatory framework takes into account feedback received, following an October 2022 public consultation.

2 Stablecoins are digital payment tokens designed to maintain a constant value against one or more specified fiat currencies. When well-regulated to preserve such value stability, stablecoins can serve as a trusted medium of exchange to support innovation, including the “on-chain” purchase and sale of digital assets.

3 MAS’ stablecoin regulatory framework will apply to single-currency stablecoins (SCS) pegged to the Singapore Dollar or any G10 currency, that are issued in Singapore. Issuers of such SCS will have to fulfil key requirements relating to:

- **Value stability:** SCS reserve assets will be subject to requirements relating to their composition, valuation, custody and audit, to give a high degree of assurance of value stability.
- **Capital:** Issuers must maintain minimum base capital and liquid assets to reduce the risk of insolvency and enable an orderly wind-down of business if necessary.
- **Redemption at Par:** Issuers must return the par value of SCS to holders within five business days from a redemption request.
- **Disclosure:** Issuers must provide appropriate disclosures to users, including information on the SCS’ value stabilising mechanism, rights of SCS holders, as well as the audit results of reserve assets.

4 Only stablecoin issuers that fulfil all requirements under the framework can apply to MAS for their stablecoins to be recognised and labelled as “MAS-regulated stablecoins”. This label will enable users to readily distinguish MAS-regulated stablecoins from other digital payment tokens, including “stablecoins” which are not subject to MAS’ stablecoin regulatory framework. Any person that misrepresents a token as an “MAS-regulated stablecoin”, may be subject to penalties¹ under MAS’ stablecoin regulatory framework, and placed on MAS’ Investor Alert List. Users should make their own informed decisions on the accompanying risks should they choose to deal in stablecoins that are not regulated under MAS’ framework.

¹ These penalties could include financial penalties or imprisonment (in the case of an individual).

5 Ms Ho Hern Shin, Deputy Managing Director (Financial Supervision), MAS, said “MAS’ stablecoin regulatory framework aims to facilitate the use of stablecoins as a credible digital medium of exchange, and as a bridge between the fiat and digital asset ecosystems. We encourage SCS issuers who would like their stablecoins recognised as “MAS regulated stablecoins” to make early preparations for compliance.”

6 For further details on the finalised stablecoin regulatory framework as well as the response to the public consultation, please refer to [MAS website](#).

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