

Attachment 1 to CS 32: Draft instrument



ASIC
Australian Securities &
Investments Commission

ASIC Corporations (Stablecoin and Wrapped Token Relief) Instrument 2025/XXX

I, <insert name>, delegate of the Australian Securities and Investments Commission, make the following legislative instrument.

Date 2025

[DRAFT ONLY – NOT FOR SIGNATURE]

<signature>

<insert name>

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Part 1—Preliminary

1 Name of legislative instrument

This is the *ASIC Corporations (Stablecoin and Wrapped Token Relief) Instrument 2025/XXX*.

2 Commencement

This instrument commences on the day after it is registered on the Federal Register of Legislation.

Note: The register may be accessed at www.legislation.gov.au.

3 Authority

This instrument is made under subsections 791C(7), 820C(7), 926A(2) and 1020F(1) of the *Corporations Act 2001*.

4 Simplified outline of this instrument

This instrument provides several licensing and disclosure exemptions in relation to certain types of stablecoins and wrapped tokens. These include the following exemptions that are provided to persons (called distributors) who are not issuers of those stablecoins or wrapped tokens:

- (a) a distributor who operates a financial market only because one or more stablecoins or wrapped tokens is a financial product does not need to have an Australian market licence;
- (b) a distributor who operates a clearing and settlement facility only because one or more stablecoins or wrapped tokens is a financial product does not need to have an Australian CS facility licence;
- (c) a distributor who provides certain financial services in relation to a stablecoin or a wrapped token does not need to have an Australian financial services licence.

Various requirements and conditions apply in relation to the exemptions, including requirements dealing with redemption rights and reserves for both stablecoins and wrapped tokens.

5 Definitions

In this instrument:

Act means the *Corporations Act 2001*.

cash or cash equivalents means:

- (a) assets that are cash on hand, demand deposits and money deposited with an Australian ADI or an overseas bank that is available for immediate withdrawal; and
- (b) assets, other than stablecoins, that are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value.

digital asset means a digital representation of value or rights (including rights to property), the ownership of which is evidenced cryptographically and that is held and transferred electronically by:

- (a) a type of distributed ledger technology; or
- (b) another distributed cryptographically verifiable data structure.

distributor means a person other than an eligible stablecoin issuer or an eligible wrapped token issuer.

eligible stablecoin means a stablecoin that is a non-cash payment facility in relation to which the following apply:

- (a) the stablecoin is issued by a person (**eligible stablecoin issuer**) that:
 - (i) holds an Australian financial services licence that authorises the person to issue the stablecoin; or
 - (ii) is an exempt foreign issuer in relation to the stablecoin;
- (b) each holder of a stablecoin in the class has the right to redeem the stablecoin for the underlying currency amount from the eligible stablecoin issuer, with the right being unconditional or subject only to one or both of the following:
 - (i) the holder satisfying know your customer checks;
 - (ii) a redemption of stablecoins in that class by the holder satisfying a minimum redemption threshold;
- (c) the terms and conditions of, or Product Disclosure Statement for, the stablecoin contain provisions to the effect that:
 - (i) the eligible stablecoin issuer must maintain reserves that are equal to or greater than the total underlying currency amount of the stablecoins on issue in that class, with the reserves comprising only cash or cash equivalent assets denominated in the underlying currency; and
 - (ii) the eligible stablecoin issuer or a custodian must hold the reserves separately from property in which the eligible stablecoin issuer or the custodian has an interest; and

- (iii) amounts payable to a holder on redemption of a stablecoin are payable from the reserves; and
- (iv) the reserves are for the exclusive purpose of paying redemption amounts to holders and paying fees (if any) that have been disclosed to the holders of the stablecoins;
- (d) other than the redemption right, holders of the stablecoins have no right to, and do not receive a financial return or other financial benefit from, the reserves.

eligible stablecoin issuer: see the definition of **eligible stablecoin**.

eligible wrapped token means a digital asset that is a derivative in relation to which the following apply:

- (a) the digital asset is issued by a person (**eligible wrapped token issuer**) that carries on a business of issuing derivatives in that class to other persons and:
 - (i) holds an Australian financial services licence that authorises the person to issue the digital asset; or
 - (ii) is an exempt foreign issuer in relation to the digital asset;
- (b) the digital asset confers on the third-party holder a right (**redemption right**) to terminate the arrangement that is the digital asset and be transferred another digital asset (**underlying digital asset**) that the digital asset references;
- (c) the terms and conditions of, or Product Disclosure Statement for, the digital asset contain provisions to the effect that:
 - (i) the eligible wrapped token issuer must maintain reserves of underlying digital assets that is equal to or greater than the number of digital assets in that class on issue; and
 - (ii) the eligible wrapped token issuer must hold the underlying digital assets comprising the reserves separately from property in which the eligible wrapped token issuer has an interest; and
 - (iii) the underlying digital assets to be transferred to a holder on exercise of the redemption right are to be transferred from the reserves; and
 - (iv) the reserves are for the exclusive purpose of transferring underlying digital assets to holders on exercise of the redemption right and paying fees (if any) that have been disclosed to the holders of the digital assets;
- (d) the underlying digital asset is either:

- (i) not a financial product; or
 - (ii) a financial product that is an eligible stablecoin or an eligible wrapped token;
- (e) other than the redemption right, holders of the digital assets have no right to, and do not receive a financial return or other financial benefit from, the reserves.

eligible wrapped token issuer: see the definition of ***eligible wrapped token***.

exempt foreign issuer, in relation to a digital asset that is a financial product, means a body corporate that is not required to hold an Australian financial services licence to issue the digital asset because it does not carry on a financial services business in this jurisdiction in relation to the issue of the digital asset.

non-cash payment facility means a facility through which, or through the acquisition of which, a person makes non-cash payments.

offer has a meaning affected by subsection 1010C(2) of the Act.

overseas bank means a body corporate that is authorised to carry on banking business (within the meaning of the *Banking Act 1959*) in a foreign country.

retail client:

- (a) a person is a ***retail client*** in relation to a financial market if a financial service provided to the person in relation to the trading or proposed trading of a financial product by the person on the market is or would be provided to the person as a retail client (within the meaning of sections 761G and 761GA of the Act); and
- (b) a person is a ***retail client*** in relation to a clearing and settlement facility if a financial service provided to the person in relation to transactions in financial products in relation to the clearing and settlement facility is or would be provided to the person as a retail client (within the meaning of sections 761G and 761GA of the Act); and
- (c) otherwise, ***retail client*** has the meaning given by sections 761G and 761GA of the Act.

stablecoin means a digital asset that has the purpose of maintaining a stable value that is equal to an amount (***underlying currency amount***) of an Australian or foreign currency (***underlying currency***).

underlying currency: see the definition of ***stablecoin***.

underlying currency amount: see the definition of ***stablecoin***.

Part 2—Exemption

6 Australian market licence exemption

A distributor does not have to comply with subsection 791A(1) of the Act if it operates a financial market only because one or more eligible stablecoins or eligible wrapped tokens is a financial product.

7 Australian clearing and settlement facility licence exemption

A distributor does not have to comply with subsection 820A(1) of the Act if it operates a clearing and settlement facility only because one or more eligible stablecoins or eligible wrapped tokens is a financial product.

8 Australian financial services licence exemption

A distributor does not have to comply with subsection 911A(1) of the Act for the provision of any of the following financial services:

- (a) providing general advice in relation to an eligible stablecoin or an eligible wrapped token;
- (b) dealing in (other than by issuing) an eligible stablecoin or an eligible wrapped token;
- (c) issuing an eligible wrapped token;

Note: The distributor will be taken to issue the eligible wrapped token as a result of being party to the arrangement that is the eligible wrapped token: subsection 761E(5) of the Act.

- (d) making a market for an eligible stablecoin or an eligible wrapped token;
- (e) providing a custodial or depository service in relation to an eligible stablecoin or an eligible wrapped token.

9 Sales amounting to indirect issue exemption

If the issuer of an eligible stablecoin or an eligible wrapped token is an exempt foreign issuer, a distributor does not have to comply with subsections 1012C(3) and (4) of the Act for an offer relating to the sale of the stablecoin or token to the extent those subsections require a Product Disclosure Statement to be given because the offer would take place in the circumstances covered by subsection 1012C(6) of the Act.

10 Transaction confirmation exemption

- (1) An eligible stablecoin issuer does not have to comply with subsection 1017F(2) of the Act for a transaction in relation to an eligible stablecoin it has issued if it is not a party to the transaction.
- (2) An eligible wrapped token issuer does not have to comply with subsection 1017F(2) of the Act for a transaction in relation to an eligible wrapped token it has issued if it is not a party to the transaction.

11 Disclosure exemption for distributors of eligible wrapped tokens

A distributor of an eligible wrapped token does not have to comply with Part 7.9 of the Act in relation to the issue of the eligible wrapped token.

Note: The distributor will be taken to issue the eligible wrapped token as a result of being party to the arrangement that is the eligible wrapped token: subsection 761E(5) of the Act.

12 Where exemptions apply

- (1) If eligible stablecoins in a class have been on issue for at least 4 months, the exemptions in sections 6 to 10 only apply in relation to an eligible stablecoin in that class if:
 - (a) the eligible stablecoin issuer has, within the last 4 months, published on its website a report about the composition and value of the reserves in relation to the eligible stablecoins as at a date that is no more than 1 month before the date the report was published; and
 - (b) if eligible stablecoins in the class have been on issue for at least 16 months—the eligible stablecoin issuer has, within the last 13 months, published on its website a report:
 - (i) about the composition and value of the reserves in relation to eligible stablecoins in that class as at a date that is no more than 3 months before the date the report is published; and
 - (ii) by:
 - (A) a registered company auditor; or
 - (B) if the eligible stablecoin issuer is an exempt foreign issuer—a person that is authorised to undertake audits in the jurisdiction in which the issuer is incorporated; and
 - (c) the reports required by paragraph (a) and paragraph (b) (if applicable) each identify that:
 - (i) the reserves comprise only cash or cash equivalent assets denominated in the underlying currency; and

- (ii) the value of the reserves is equal to or greater than the total underlying currency amount of eligible stablecoins in the class on issue.
- (2) Subject to subsection (3), a distributor may only rely on an exemption in sections 6 to 9 in relation to an eligible stablecoin if the terms and conditions of, or Product Disclosure Statement for, the eligible stablecoin contain provisions to the effect that the eligible stablecoin issuer or a custodian must hold the reserves in relation to the eligible stablecoin on trust for the holders of eligible stablecoins in that class.
- (3) Subsection (2) does not apply in relation to assets forming part of the reserves if either of the following apply:
 - (a) the distributor has documented in writing:
 - (i) that it is satisfied that those assets are located in a place outside of this jurisdiction where trusts are not known to the law and it is reasonable for the assets to be held in accordance with the law in that place; and
 - (ii) the basis on which it is satisfied;
 - (b) the distributor has documented in writing:
 - (i) that it is satisfied that:
 - (A) those assets are located in a place outside of this jurisdiction and it is not reasonable for the assets to be held on trust in accordance with the law in that place; and
 - (B) the eligible stablecoin issuer or a custodian holds the assets in a manner that, having regard to the relevant laws, provides reasonably effective protection in case of insolvency of the eligible stablecoin issuer or the custodian holding the assets; and
 - (ii) the basis on which it is satisfied.

13 Condition

A distributor that relies on an exemption in sections 6 to 8 in relation to a retail client and an eligible stablecoin or an eligible wrapped token must take reasonable steps to give or make available to the retail client a Product Disclosure Statement for the eligible stablecoin or eligible wrapped token that is the most current in use where one has been prepared by the eligible stablecoin issuer or the eligible wrapped token issuer.

Part 3—Repeal

14 Repeal

This instrument is repealed at the start of 1 January 2029.