

## ASPIRe in Action: Advancing Hong Kong's Digital Asset Journey Keynote speech at Hong Kong Web3 Festival 2026

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Distinguished guests, friends, ladies and gentlemen, good morning. It is a privilege to join you at the Hong Kong Web3 Festival 2026, which comes at a timely moment as we mark a little over a year since the Securities and Futures Commission (SFC) published the **ASPIRe** Roadmap in early 2025.

The Roadmap has been well received by market practitioners and international counterparts. It is encouraging to see that the Financial Stability Board's October 2025 peer review recognised Hong Kong as one of the few leading jurisdictions with complete and effective digital asset regulation. I believe we can all agree that Hong Kong's digital asset momentum has never been stronger. Our progress reflects the collective result of visionary government leadership, market wisdom and, most importantly, the unwavering dedication of my colleagues and fellow regulators.

The market will always evolve faster than any regulator can write rules. This is why the SFC applies "same business, same risks, same rules" to steer our digital-asset developments by carrying forward time-tested safeguards while enabling responsible innovation.

Today, as we continue to progress, I would like to leave you with two clear messages.

First, we must focus. We should continue our disciplined implementation of the 12 initiatives under **ASPIRe**, rather than constantly chase new ideas. We progress through execution, innovate through practice, and develop through patience.

Second, as our regime matures, our aspiration must now move from a local focus to global influence: contributing to and setting the bar for international best practices, attracting global liquidity, and demonstrating that robust risk management can sit alongside responsible innovation.

### Our journey so far: Progress since 2025

Innovation thrives where safety leads. Going faster can often mean moving slower if we are reckless. Let me briefly go through our steadfast journey since we launched our **ASPIRe** Roadmap 14 months ago.

In April 2025, as an initiative under Pillar **P** (Products), the SFC enabled the provision of staking services, which was simultaneously extended to SFC-authorized funds, culminating in Asia's first virtual asset (VA) spot exchange-traded funds with staking features.

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Note: This is the text of the speech as drafted, which may differ from the delivered version.



Soon after, in June 2025, to enable greater **Access** to the digital asset ecosystem, the SFC launched a joint consultation together with the Financial Services and the Treasury Bureau (FSTB) on licensing regimes for VA dealers and custodians, receiving broad support.

In a strong finish to a fruitful year, December saw our consultation conclusions on legislative proposals for these new licensing regimes, with plans to introduce a bill into the Legislative Council in 2026. At the same time, we consulted on extending the licensing framework to VA advisory and management services. With these new regimes, a complete digital asset ecosystem will transpire through end-to-end regulatory coverage for digital asset activities.

Further progress has been made on the **Access** and **Products** fronts since November 2025: the SFC has redefined the connectivity of virtual asset trading platforms (VATPs), opening pathways to global liquidity via shared order books, which enable tighter spreads and improve price discovery. We also broadened platform service and product offerings, and expanded custody coverage.

To implement Pillar **Infrastructure** to better equip the SFC's market oversight, we commenced our **CrypTech** initiative in October 2025. This initiative aims to leverage technology to regulate technology by building an automated line of defence for Hong Kong's digital asset marketplace. I'll speak more on this later.

Our work under **ASPIRe** is reinforced by collaboration with the Hong Kong Monetary Authority under Project Ensemble, now in its pilot phase since November 2025. Together with the SFC's guidance on tokenisation, these initiatives are accelerating the integration of digital assets with traditional finance.

Most recently, in February 2026, we further advanced Pillar **Products** with new initiatives, allowing licensed VA brokers to offer margin financing under robust risk management rules. A new regulatory framework also enabled platforms to develop leveraged products for professional investors. Affiliates of licensed platforms were also permitted to serve as market makers, supporting liquidity and competitive spreads. These developments have collectively enriched product offerings and strengthened liquidity. Most importantly, they reflect our unwavering focus on responding to market needs, by implementing clear, practical solutions.

Under the **Relationships** pillar, proactive market engagement is central to our success. Through constant dialogue, such as our regular market engagement efforts, international outreach, and the Digital Asset Consultative Panel, we ensure that we are listening, learning, and staying on top of the latest risks and opportunities.

We reached another key milestone under Pillar **Relationships** just in February: we invited market proposals for operating the **Digital Asset Accelerator**, which is scheduled for launch later this year. Designed to expedite market advancements, the Accelerator supports licensed digital asset players in developing projects in a curated environment. It promotes a risk-aware and compliance-driven approach that enables progress through efficient and effective communication between the SFC and market practitioners.

### **The road ahead: Priorities for 2026 and beyond**

I am not trying to impress the audience by claiming that we have accomplished a lot. On the contrary, my message today is that we still have a lot of work ahead of us. Progress is measured not by announcements, but by delivery and by results. To continue on our journey, we must prioritise depth over breadth.

*Pillars Access and Safeguards: innovate through regulation and guidelines*

First and foremost, on Pillar **Access**, it is our top priority to work with the FSTB to complete the legislative process for the VA licensing regimes for dealing, advisory, management and custody services under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance. At the same time, we will work closely with stakeholders to translate the legislative framework into practical, clear and workable regulatory requirements, so that both licensed entities and investors can participate with confidence.

Under the **Safeguards** pillar, we are working on a pragmatic solution for custody, insurance, and compensation arrangements in order to balance the use of the latest technology with our commitment to maintaining the holy grail of investor asset protection.

These priorities in themselves are a substantial if not Herculean task with an unprecedented implementation timeframe, but we are committed to powering through it.

*Pillar Products: innovate through practice*

Our direction of travel is moving from high-level principles to detailed guidance, by providing regulatory clarity for an increasingly tokenised economy. What we have seen so far is that, while products in Web3 may appear similar to traditional finance (TradFi) products on the surface, they can be fundamentally different from product design and risk perspectives. Therefore, it takes considerable efforts and creativity to integrate them into our regulatory framework. We cannot take an overly simplistic approach.

A good example is our recent VA perpetuals framework, which establishes a clear structure for market participants to work within. We have been actively discussing product specifications, clearing and settlement arrangements, margin requirements, disclosures, and other relevant topics with market participants. So far, good progress has been made, and we will provide the necessary guidance once ready.

In connection with our recent initiatives on margin financing, we have already received proposals and are working on finetuning our licensing terms and conditions to facilitate the launch of such services. A subtle but important consideration that we may need to address in due course is what the Financial Resources Requirements (FRR) should be for digital assets, especially in the context of margin financing activities. There are no uniform international practices, and it requires a great deal of thoughtful analyses to get this right, given that this is a new asset class. We will likely need to consult the market at some point.

Another area we are working on is product categorisation for tokenised assets, by considering in practice how our regulatory regime can embrace tokenised real-world assets (RWA), and support the tokenisation and trading of tokenised bonds, funds and other instruments. By announcing that our VATPs can offer secondary on-platform trading of tokenised SFC-authorized funds today, we are among the first major jurisdictions to provide a clear pathway for retail TradFi products to use the Web3 infrastructure. This will broaden trading venues, enhance liquidity and reinforce the development of a blockchain-enabled financial infrastructure within clear regulatory guardrails.

*Pillars Relationships and Infrastructure: innovate through interactions*

Cooperation is built through partnership and alignment of interests. This is where **Relationships and Infrastructure** come together, through stakeholder engagement and collaboration, establishing a network of regulatory partners, and building a scalable



infrastructure that can identify and enhance our understanding of the intrinsic risks of digital assets.

In tandem with a growing digital asset ecosystem, we are also tackling online financial harm, where bad actors can exploit fancy Web3 terminologies to mislead and defraud investors. This issue has become a primary focus for regulators worldwide as online engagement with retail investors becomes mainstream and incidents of online financial harm increase. A key part of this effort under the **Relationships Pillar** is our finfluencer initiative promoting responsible digital communications, accountability, and informed investor engagement. Our approach is to understand market practices first before imposing additional regulations. To fully realise the benefits of digital platforms while mitigating risks, we believe that investors, market participants, and regulators must collaborate closely to develop a practical way forward.

In January 2026, the SFC and the Capital Market Authority of the United Arab Emirates signed a Memorandum of Understanding (MoU) to enable tangible joint supervision of shared digital asset market participants. This partnership supports international harmonisation, strengthens cross-border oversight, and guards against regulatory arbitrage. We expect more purposeful bilateral collaborations of this kind going forward as our regulatees begin to obtain licences in other jurisdictions, and as international regulators and standard-setting bodies reach out to us for capacity building and collaboration.

I mentioned our CrypTech initiative earlier, and we are moving from conceptualisation to proof of concept this year. We are experimenting with the use of supervisory technology to automate market participants' reporting and build analytics for blockchain, custody surveillance, and market surveillance. This is to ensure market integrity and uphold investor protection, as we see money laundering, cybersecurity, and market manipulation as the three core risks concerning the digital economy.

### **Conclusion: Commitment to collaborative execution in driving responsible innovation**

Ladies and gentlemen, the **ASPIRe** Roadmap remains a living blueprint. Fourteen months on, the most important test is no longer what we announce, but how well we execute it. If we stay focused on implementing the 12 initiatives with depth and discipline, we will continue to strive in our digital asset journey.

We are still at the beginning of our long journey, moving from roadmap to action, and from local to global. We want to do this together with all of you. Let's pack our luggage, set sail, and enjoy the scenery. Bon voyage.

Thank you.