

MARCH 2022

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# STABLECOIN REGULATION IN AUSTRALIA

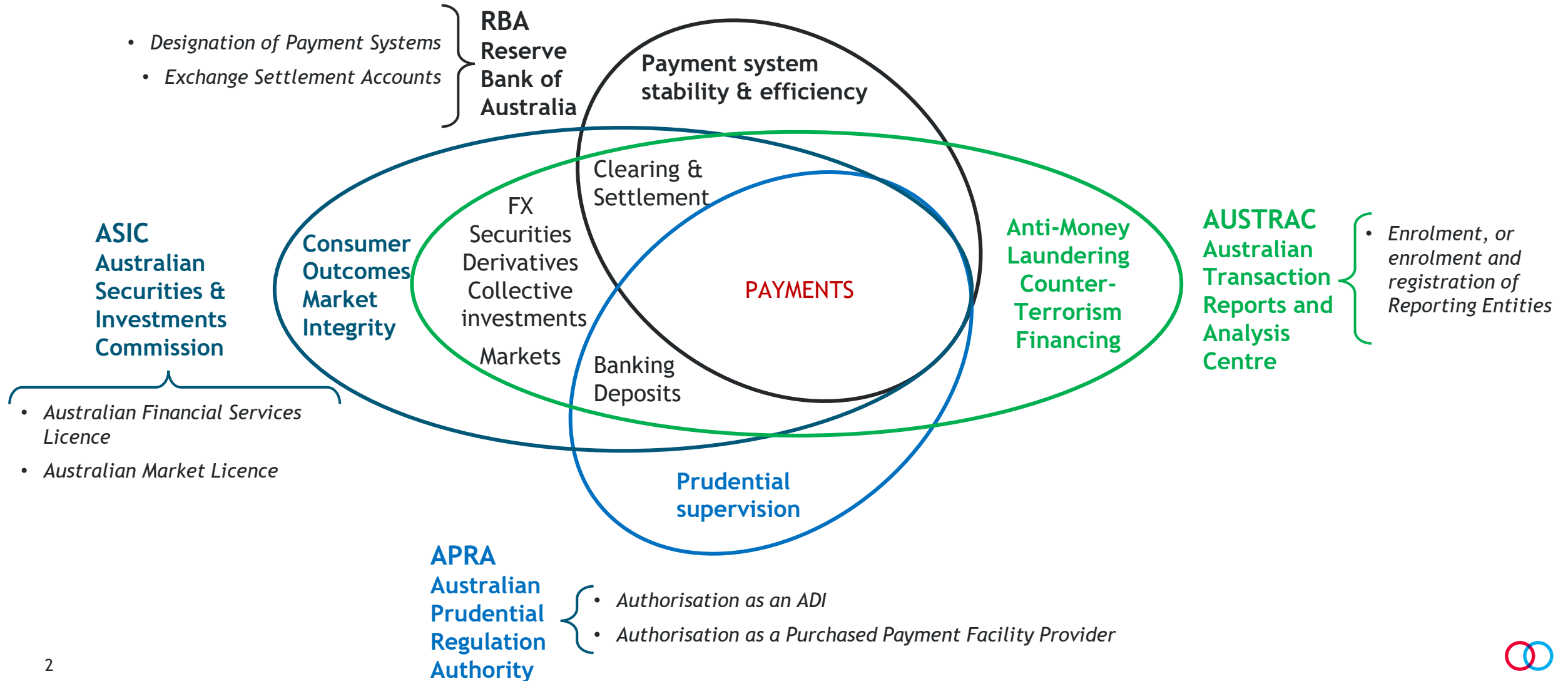
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SCOTT FARRELL

Connection Pathways by Cara Shields

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# AUSTRALIA'S FUNCTIONAL REGULATION





# PAYMENT FOCUS TO NEW REGULATION



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Stablecoins: Market Developments, Risks and Regulation

## Australian regulation: CFR focusing on payment stablecoins

Work on a regulatory framework for crypto-assets in Australia is being led by the Treasury with support from CFR agencies and other regulators. Consistent with the international focus, the CFR has agreed that developing a framework for regulating 'payment stablecoins' is a priority in the near term, given the potential for these arrangements to become widely used as a means of payment and a store of value (CFR 2022).



Media Release Number: 2022-01  
30 March 2022

## Quarterly Statement by the Council of Financial Regulators – March 2022

The Council discussed possible approaches to the regulation of stablecoins – a type of crypto-asset that aims to maintain a stable value against one or more currencies or assets. The particular focus was payment stablecoins – those stablecoins with features that can make them attractive as a means of payment and store of value. These stablecoin arrangements bear similarities with stored-value facilities (SVFs) and the Council will now work on options for incorporating them into the proposed regulatory framework for SVFs. The SVF framework was published by the Council in November 2020 and is being implemented as part of the Government's reforms to the payments licensing framework announced in December.

September

June

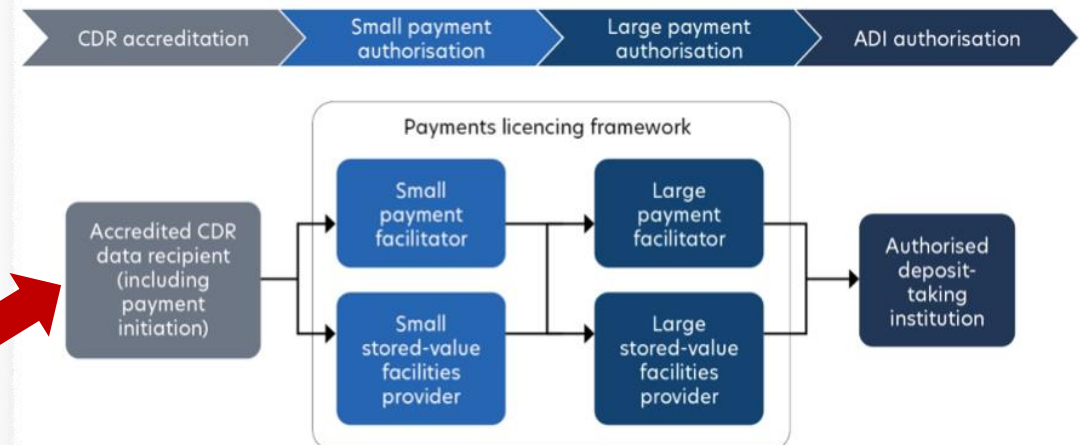
Bulletin – December 2022 | Payments

## Stablecoins: Market Developments, Risks and Regulation

8 December 2022

Cameron Dark, Eleanor Rogerson, Nick Rowbotham and Peter Wallis [\*]

Figure 4.2 – Proposed single licensing framework



# ALIGNMENT WITH CRYPTO AND CBDC



T

## Token Mapping

### Applying the 'functional perimeter'

44. As described above, Australia's *functional perimeter* is designed to be flexible, technology neutral, and innovation friendly. It captures any 'facility'<sup>54</sup> through which, or through the acquisition of which, a person does one or more of: (a) makes a financial investment; (b) manages financial risk; and (c) makes non-cash payments (together, the 'general financial functions'). The definitions of each of the general financial functions is at Annexure 1.

treasury.gov.au

Joint Media Release

## Research Project Exploring Use Cases for CBDC

Number **2023-06**  
Date **2 March 2023**



Previously [announced](#), the Reserve Bank is collaborating with the Digital Finance Cooperative Research Centre (DFCRC) on a research project to explore potential use cases and economic benefits of a central bank digital currency (CBDC) in Australia.

The project involves selected industry participants demonstrating potential use cases for a CBDC using a limited-scale pilot CBDC that is a real digital claim on the Reserve Bank. The project received a large number of use case submissions from a range of industry participants. A range of criteria were considered in selecting the use cases to participate in the pilot, including the potential to provide insights into the possible benefits of a CBDC.



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