



ASIC
Australian Securities &
Investments Commission

Explanatory Statement

ASIC Corporations (Amendment) Instrument 2025/679

This is the Explanatory Statement for *ASIC Corporations (Amendment) Instrument 2025/679*.

The Explanatory Statement is approved by the Australian Securities and Investments Commission (ASIC).

Summary

1. *ASIC Corporations (Amendment) Instrument 2025/679* (**Amending Instrument**) amends *ASIC Corporations Stablecoin Distribution Exemption) Instrument 2025/631* (**Principal Instrument**) to include an additional named stablecoin (**Named Stablecoin**) and make clarifying amendments.

Purpose of the instrument

2. The purpose of the Amending Instrument is to extend the relief provided by the Principal Instrument to an additional Named Stablecoin and to make clarifying changes.
3. The *Corporations Act 2001* (**Act**) provides that a person may only provide a financial service, operate a financial market or operate a clearing and settlement facility in this jurisdiction if the person has an Australian financial services (AFS) licence, Australian market licence and or an Australian CS facility licence that authorises the person to provide those services or operate the facility in this jurisdiction or if the facility is exempt from relevant parts of the Act.
4. The purpose of the Principal Instrument is to exempt distributors of a Named Stablecoin from the requirement to hold:
 - (a) an AFS licence to provide financial services,
 - (b) an Australian market licence to operate a financial market, and
 - (c) an Australian CS facility licence to operate a clearing and settlement facility,

in relation to a Named Stablecoin, by exempting them from the obligations in relevant parts of the Act, subject to the condition set out in the instrument.

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5. As at the date of execution of the Principal Instrument, ASIC had specified one Named Stablecoin. The Amending Instrument adds a second Named Stablecoin.
 6. To rely on the relief, distributors must comply with the condition in section 9 of the Principal Instrument, which requires them to make available to retail clients a Product Disclosure Statement for the Named Stablecoin that is the most current in use, where one has been prepared by the issuer.

Consultation

7. ASIC undertook a targeted consultation in making the Principal Instrument and Amendment Instrument, which included stakeholders affected by the instrument.
8. This targeted consultation followed the general consultation through Consultation Paper 381: *Updates to INFO 225: Digital assets: Financial products and services (CP 381)*. CP381 stated that some stablecoins may be a financial product, specifically a non-cash payment facility, under the current law. CP 381 sought feedback on whether any transitional provisions or regulatory relief would facilitate the transition from regulation under the current law to the Government's proposed reforms for stablecoins.
9. The Principal Instrument and the Amending Instrument respond to concerns that:
 - (a) there would be a significant cost and compliance burden on distributors in terms of costs associated with applying for one or more licences in relation to a Named Stablecoin as well as the costs of ongoing compliance with those licences; and
 - (b) the implications of the costs and regulatory burden on distributors to hold one or more licences in relation to a Named Stablecoin under the existing regime in light of the Government's law reforms to regulate distributors of those stablecoins under the proposed digital asset platform regime.
10. Certain amendments made by the Amendment Instrument are to made pursuant to subsections 791C(9) and 820C(9) of the Act. In the case of other amendments, there is some uncertainty as to whether they would be made pursuant to subsections 791C(7) and 820C(7) or pursuant to subsections 791C(9) and 820C(9) of the Act. For the avoidance of doubt we have complied with the requirement to provide notice of the proposed changes on ASIC's website as required by subsections 791C(10) and 820C(10) of the Act in relation to all of the amendments affecting the Australian market licensing and an Australian CS facility licensing relief provided by the Principal Instrument. Given that AUDM has not yet been issued to any person, paragraphs 791C(10)(a) and 820C(10)(a) of the Act are not applicable. The notice published on ASIC's website provided one week for submissions. Given the targeted consultation referred to above and the fact that no person is currently covered by the licensing exemptions (given no AUDM have yet been issued), ASIC is of the view that one week is a reasonable period for the purposes of paragraphs 791C(10)(b) and 820C(10)(b) of the Act.

Operation of the instrument

11. Section 4 of the Amending Instrument states that each instrument specified in a Schedule is amended as set out in the applicable items in the Schedule.
12. Item 1 of Schedule 1 to the Amending Instrument amends the simplified outline in section 4 of the Principal Instrument to reflect the amendments introduced by Item 4 of Schedule 1 to the Amending Instrument.
13. Item 2 of Schedule 1 to the Amending Instrument amends subsection 5(2) of the Principal Instrument to extend the definition of Named Stablecoin to a second stablecoin and its issuer.
14. Item 3 of Schedule 1 to the Amending Instrument amends sections 6 and 7 of the Principal Instrument to change the use of “a Named Stablecoin” to “one or more Named Stablecoins” to clarify the operation of those two sections.
15. Item 4 of Schedule 1 to the Amending Instrument amends section 9 of the Principal Instrument to clarify that a Distributor that relies on an exemption must make available to retail clients a Product Disclosure Statement for the Named Stablecoin that is the most current in use, where one has been prepared by the Named Stablecoin Issuer.
16. Item 5 of Schedule 1 to the Amending Instrument adds a note at the end of section 9 of the Principal Instrument to indicate that if a Named Stablecoin is issued without a Product Disclosure Statement being prepared, subsequent offers for sale of the Named Stablecoin may require a Product Disclosure Statement under section 1012C of the Act.

Legislative instrument and primary legislation

17. The subject matter and policy implemented by the Amending Instrument is more appropriate for a legislative instrument rather than primary legislation because the Amending Instrument amends the Principal Instrument, which is itself a legislative instrument.

Duration of the instrument

18. The Amending Instrument will be repealed under section 48A of the *Legislation Act 2003*.

Legislative authority

19. The delegate of ASIC makes the Amending Instrument under subsections 791C(7), 791C(9), 820C(7), 820C(9) and 926A(2) of the Act.
20. Under subsection 33(3) of the *Acts Interpretation Act 1901*, where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws), the power is to be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend or vary any such instrument.

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21. The Amending Instrument is a disallowable legislative instrument under section 42 of the *Legislation Act 2003*.

Statement of Compatibility with Human Rights

22. The Explanatory Statement for a disallowable legislative instrument must contain a Statement of Compatibility with Human Rights under subsection 9(1) of the *Human Rights (Parliamentary Scrutiny) Act 2011*. A Statement of Compatibility with Human Rights is in the Attachment.

Statement of Compatibility with Human Rights

This Statement of Compatibility with Human Rights is prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

ASIC Corporations (Amendment) Instrument 2025/679

Overview

1. The purpose of this instrument is to extend the relief in *ASIC Corporations (Stablecoin Distribution Exemption) Instrument 2025/631* to an additional Named Stablecoin and to make clarifying amendments.
2. *ASIC Corporations (Stablecoin Distribution Exemption) Instrument 2025/631* provides relief from the *Corporations Act 2001* with respect to the requirement to hold an Australian financial services licence, Australian market licence and or an Australian clearing and settlement (CS) facility licence under Chapter 7 of the *Corporations Act 2001*, for distributors of named stablecoins.

Assessment of human rights implications

3. This instrument does not engage any of the applicable rights or freedoms.

Conclusion

4. This instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.