

The FSB and crypto-assets and digital assets

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The FSB turned its attention to crypto-assets and digital assets in 2018, when the rapid growth of the markets for bitcoin and other tokens raised the question of whether they posed risks to financial stability. Its initial assessment was cautious: crypto-assets were considered too small and too weakly connected with the traditional financial system to pose a material risk, although the FSB undertook to monitor their development.¹ The announcement of Facebook's Libra project in June 2019 changed the debate. A global stablecoin issued by a private company with billions of users could have affected monetary sovereignty, payment systems and financial stability in many countries. Libra's governance entity was established in Geneva as an association under Swiss law. When its promoters applied to FINMA for a payment system licence, this made Switzerland the jurisdiction most directly involved in the regulatory assessment.²

In October 2020, the FSB published high-level recommendations for the regulation, supervision and oversight of global stablecoin arrangements. After the collapse of the TerraUSD stablecoin in May 2022 and of the crypto exchange FTX in November 2022, it revised these recommendations and developed a comprehensive framework. In July 2023, the FSB finalised its *Global Regulatory Framework for Crypto-asset Activities*, which consists of high-level recommendations for the regulation, supervision and oversight of crypto-asset activities and markets and revised high-level recommendations for global stablecoin arrangements.³ The framework rests on the principle "same activity, same risk, same regulation". It requires authorities to have the powers and tools to regulate crypto-asset activities comprehensively, to address conflicts of interest arising from the combination of functions in a single entity, as had occurred at FTX, and to apply requirements for the governance, risk management, disclosure and redemption rights of stablecoin arrangements.

The FSB's framework is complemented by the standards of the sectoral bodies. The Basel Committee adopted its standard on the prudential treatment of banks' crypto-asset exposures in December 2022, IOSCO issued policy recommendations for crypto and digital asset markets in November 2023, and the CPMI and IOSCO published guidance in 2022 on the application of the PFMI to systemically important stablecoin arrangements.⁴ Together with the FATF's standards on virtual assets and virtual asset service providers, which Part E discussed, these documents form an international framework that national legislators have used as a reference. The European Union's Markets in Crypto-Assets Regulation (MiCA), which applies in full since December 2024, and the Swiss DLT legislation of 2021 can be read against this background.

In October 2025, the FSB published a thematic peer review of the implementation of its crypto framework. According to this review, implementation across jurisdictions remained uneven, with gaps in the regulation of stablecoins and in cross-border cooperation, which the FSB regarded as giving rise to risks of regulatory arbitrage.⁵ For practitioners advising issuers and service providers in crypto-assets and digital assets, the FSB framework is now a necessary point of orientation, even though it never appears as such in a contract or a licence. It explains why regulators in Zurich, Frankfurt, Singapore and Hong Kong ask similar questions about segregation of client assets, governance and conflicts of interest. A client planning a token sale or a stablecoin will meet these questions wherever he goes, since they all derive from a common framework drafted in Basel.

1 Notes

1. FSB, Crypto-assets: Report to the G20 on Work by the FSB and Standard-Setting Bodies, July 2018. To be verified. ↩
2. On the Libra (later Diem) project, the Libra Association in Geneva and FINMA's guidance of September 2019 on the application of Swiss law to the project, see FINMA, press release of 11 September 2019. To be verified. ↩
3. FSB, High-level Recommendations for the Regulation, Supervision and Oversight of Crypto-asset Activities and Markets: Final Report, 17 July 2023; FSB, High-level Recommendations for the Regulation, Supervision and Oversight of Global Stablecoin Arrangements: Final Report, 17 July 2023. To be verified. ↩
4. BCBS, Prudential Treatment of Cryptoasset Exposures, December 2022, with later amendments; IOSCO, Policy Recommendations for

Crypto and Digital Asset Markets, Final Report, 16 November 2023;
CPMI–IOSCO, Application of the Principles for Financial Market
Infrastructures to Stablecoin Arrangements, July 2022. To be verified.



5. FSB, thematic review on the implementation of the FSB global
regulatory framework for crypto-asset activities, October 2025.
Content and status to be verified. ↩

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