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CSA: the Company Secretarial Software 公司秘書專業軟件

Updated Version 6.5.2 更新版 6.5.2

The updated version of CSA has been released. If you have not updated yet, please follow the instructions you received earlier to download the necessary files and use your designated password to complete the update. The changes in this version include the following:

CSA 的更新版本已經發布。如果您還未進行更新，請按照之前發送給您的說明下載檔案，並使用您的專屬密碼更新您的系統。此版本的變更包括以下內容：

New Forms and
Revised Forms
新增表格及經修訂表格

The new company re-domiciliation regime—enabling non-Hong Kong-incorporated companies to re-domicile to Hong Kong in a more convenient way—came into effect on 23 May 2025. The Companies Registry has updated several statutory forms, including NAR1, and introduced six new forms specifically for re-domiciliation. While the Companies Registry currently accepts both the original and revised versions until 22 November 2026, we have already updated all relevant forms in this release. Newly

introduced forms are also available under the “Blank Forms” function.

新的公司遷冊制度已於 2025 年 5 月 23 日正式生效，旨在便利非香港註冊成立的公司遷冊至香港。公司註冊處已更新多份法定表格（包括 NAR1），並新增六份專門用於遷冊用途的表格。目前，公司註冊處同時接受原有版本及經修訂版本的表格（直至 2026 年 11 月 22 日），但我們已在本次更新中全面採用經修訂版本。新增的表格亦已上載至「空白表格」功能中供使用。

Beneficial Ownership
Information of BVI
Companies
英屬維京群島公司的
實益擁有權資料

For the filing of the Register of Members and Beneficial Ownership Information for BVI companies, we have added the format files of the corresponding confirmation documents and MS-Excel spreadsheets to CSA.

為協助英屬維京群島公司提交成員登記冊及實益擁有權資料，我們已在 CSA 中新增了相關的確認文件及 MS-Excel 試算表的格式檔案。

Other Changes
其他變更

Other updates include some improvements to the user interfaces:

其他更新還包括一些用戶介面的改良：

- modifications in the upload screen of e-forms; and
電子表格上傳畫面的修改；及
- modifications in the document printing browser.
文件列印瀏覽器的修改。

For details on the updated version, please refer to the Update Notice previously sent to your designated “notice recipients”.

有關更新版本的詳情，請參閱先前已發送至您指定的「通告收件人」的更新通知。

Support Hotline Q&A Case Sharing:

支援熱線答問個案分享：

(a) How should I handle the problem of “repeating decimals” in Allotment?

在配發新股的工作中，應如何處理“循環小數”的問題？

Occasionally, we receive inquiries from users regarding an issue with “repeating decimals” on the increased amount of the issued share capital when doing Allotment.

我們偶爾會收到一些用戶查詢有關在進行配發新股的工作時，已發行股本的增加金額出現“循環小數”的問題。

A common scenario arises when the total consideration is not divisible evenly by the number of shares. This results in a non-integer figure for the amount paid per share, and in turn affects the increased amount of the issued share capital.

常見的情況是，總代價不能被股份數目整除，導致每股支付的金額為非整數，進而影響已發行股本的增加金額。

Assuming that 3 shares are allotted to an allottee at a total consideration of \$10.00. What will happen?

Amount per share: 3.33

Increased amount of the issued share capital: 9.99

假設配發給某承配人 3 股股份，總代價為 10.00 元。會發生什麼情況？

每股金額：3.33

已發行股本的增加金額：9.99

Note that the increased amount of the issued share capital (calculated by the system) is slightly different from the actual consideration received, which may be undesirable for register of members or accounting reporting purposes. Fortunately, CSA provides a simple option to override the calculated increased amount.

For clarity and completeness, let's walk through the full process for this job below:

請留意，由於已發行股本的增加金額（由系統計算）與實際收到的代價略有出入，這對於股東登記冊或會計報告來說會帶來相當不便。幸好 CSA 提供了一個簡易選項，以取代系統計算出的增加金額。

為了清晰完整地說明，我們將在下面示範完整的作業流程：

- (1) Select the Class of Shares.
選擇股份類別。
- (2) Enter the Amount Paid on each Share—in this case, 3.33 (up to 8 decimal places allowed).
輸入每股繳付金額—在本例中為 3.33 (最多可保留 8 位小數)。
- (3) Double-click the row of the Allottee. (an input screen will pop up)
雙擊承配人所在行。(將彈出輸入螢幕)
- (4) Enter the No. of Shares—in this case, 3.
輸入股份數目—在本例中為 3。
- (5) Directly enter the amount and select the currency of the Consideration—in this case, 10.00 and HKD.
直接輸入代價金額及選擇貨幣—在本例中為 10.00 及 HKD。
- (6) Press [Save].
按 [儲存]。

Class of Shares	Branch Register	Amount Paid on each Share		Amount Unpaid on each Share		Capital Increased	No. of Shares	
		Cash	Non-Cash	Cash	Non-Cash		Issued	To Allot
(1) Ordinary		HKD 3.33	0.00	0.00	0.00	100		
(2)		0.00	0.00	0.00	0.00	0		
(3)		0.00	0.00	0.00	0.00	0		

- (7) Click the button under the column caption "Capital Increased". (a screen will pop up for you to input the replacement amount)
點選「所增加的股本」欄位下的按鈕 。(將彈出畫面以輸入取代金額)
- (8) Enter the Paid-up Capital (Total)—in this case, 10.

輸入實收資本總額—在本例中為 10。

(9) Enter the Registered Capital (Total)—in this case, 10.

輸入註冊資本總額—在本例中為 10。

(10) Press [Save].

按 [儲存]。

Class of Shares	Branch Register	Amount Paid on each Share		Amount Unpaid on each Share		Capital Increased	No. of Shares	
		Cash	Non-Cash	Cash	Non-Cash		Issued	To Allot
(1) Ordinary		HKD 3.33	0.00	0.00	0.00	0.00	100	3(Cash)
(2)		0.00	0.00	0.00	0.00	0.00	0	
(3)		0.00	0.00	0.00	0.00	0.00	0	

(11) Save the Job.

儲存本工作。

Then generate the form NSC1. The increased amount of the issued share capital is now displayed as 10.00 instead of 9.999999.

然後列印表格 NSC1。已發行股本的增加金額現在顯示為 10.00，而不是 9.999999 了。

3 是次股份配發的總款額 Totals of this Allotment
請在適用的空格內加上 ✓ 號 Please tick the relevant box

上述公司的已發行股本因是次配發股份而增加的款額如下：
As a result of this allotment, the company's issued share capital is increased by the following amount:

貨幣單位 Currency	款額 Amount
HKD	10.00
USD	0.00

上述公司的已發行股本並未因是次配發股份而增加(在此情況不用申報第 4 項)
The company's issued share capital is not increased as a result of this allotment. (No need to complete Section 4 in this situation)

(b) The telephone and facsimile numbers of the Presentor were not displayed on the CR forms.

CR 表格上沒有顯示提交人的電話號碼和傳真號碼。

提交人資料 Presentor's Reference
姓名 / 名稱 Name: ABCD Limited Company
地址 Address: Flat A, 1/F, Happy Court, 1 Happy Road, Happy Valley, HONG KONG
電話 Tel: 傳真 Fax:
電郵 Email:
檔號 Reference:

Before proceeding with the solution, let's first review how 'Presenter' is handled in CSA:

A Presenter can either be the Client itself or a Corporate Entity selected from the Entity Master File, found under { System > My Settings > My System Setting }. You can preset up to three Entities as "Presenter (1)", "Presenter (2)", and "Presenter (3)" respectively within the [Presenter] tab.

在討論解決方案之前，讓我們先看看 CSA 是如何處理「提交人」的：

在 CSA 中，「提交人」可以是客戶本身，也可以是從「實體主資料檔案」中選擇的法人實體。該功能可在 { 系統 > 我的設定 > 我的系統設定 } 下找到。您可以在 [提交人] 分頁中分別預設最多三個實體作為“提交人 (1)”、“提交人 (2)”和“提交人 (3)”。

The screenshot shows the 'My System Settings (Ken) [Edit]' window with the 'Presenter' tab selected. It features three slots for configuring presenters. The first slot, labeled '(1)', is filled with the details of 'ABCD Limited Company [01] (100)', including its address in both English and Chinese. The second and third slots, labeled '(2)' and '(3)', are currently empty. To the right of these slots, there are two groups of radio button options. The first group, 'Usual Presenter', includes options for 'Presenter (1)', 'Presenter (2)', 'Presenter (3)', 'The Company', and 'Blank'. The second group, 'Address', includes options for 'Registered Address' and 'Mailing'. At the bottom of the window, there are input fields for 'Tel:', 'Fax:', and 'Email:'. The 'Save' and 'Cancel' buttons are located at the bottom right corner.

The Presenter's details—company name, address, telephone number, facsimile number, and email address—will be retrieved from the record of the selected Entity for use in CR forms.

提交人的詳細資料——公司名稱、地址、電話號碼、傳真號碼和電郵地址——將會從所選實體的記錄中提取，以使用於 CR 表格。

If the telephone and facsimile numbers of the Presenter are not displayed on the CR forms, follow these steps to verify and update the record:

如果 CR 表格上沒有顯示提交人的電話號碼和傳真號碼，請按以下步驟檢查並更新記錄：

- (1) Open the Entity Master File and locate the Entity record used as the Presenter, click [Edit], and navigate to the [Contact] tab.
開啟實體主資料檔案，找到用作提交人的實體記錄，點擊 [更改] 並導覽至 [聯絡] 分頁。
- (2) Enter the telephone and facsimile numbers, then save the record.
輸入電話號碼和傳真號碼，然後儲存記錄。

In case the corporate Entity is linked to a Client, the input fields of the Entity cannot be edited directly #. Instead, follow these steps to update the 'Linked Client' record in the Client Master File:

如果法人實體已連結至一個客戶，則無法直接編輯實體的輸入欄位#。請依照以下步驟更新客戶主資料檔案中的「連結的客戶」的記錄：

- (1) Identify the Client ID of the 'Linked Client'.
識別「連結的客戶」的客戶代號。

- (2) Open the Client Master File and locate that 'Linked Client' record, click [Edit], and navigate to the [Contact] tab.
開啟客戶主資料檔案，找到該客戶記錄，點擊 [更改] 並導覽至 [聯絡] 分頁。
- (3) Enter the telephone and facsimile numbers, then save the record.
輸入電話號碼和傳真號碼，然後儲存記錄。

And then generate the concerned form again.
然後再次產生相關表格。

- # "Client Linkage" is a data management mechanism within the system, used to associate an Entity with a Client when the Entity simultaneously functions as a Client. This linkage prevents data discrepancies between the two records and ensures consistency. After the link is established, the Client record takes precedence as the primary source of data.
「客戶連結」是系統內的一種資料管理機制，用於在實體同時作為客戶時將實體與客戶關聯起來。這種關聯確保了一致性，避免兩個記錄之間出現資料上的差異。連結建立後，資料以客戶記錄為準。



AML for CSA

(為遵從打擊洗錢及恐怖分子資金籌集的規定)

Exploring a New Feature Inspired by a Recent AML Compliance Audit 受最近一次 AML 合規審查啟發出來的新功能

One of our AML for CSA users recently underwent a routine AML compliance audit conducted by the Companies Registry (“CR”). This process is a key requirement to ensure that all TCSP license holders remain aligned with the CR’s Guidelines and related regulations.

最近，我們的一位個 AML for CSA 用戶接受了公司註冊處進行的例行 AML 合規審查。此項審查為確保所有 TCSP 持牌人均符合公司註冊處指引及相關法規的主要要求之一。

The audit process went smoothly overall; however, the auditor spent considerable time analyzing transaction volumes across selected companies to identify any potentially suspicious activities that may warrant further investigations.

整體審查過程順利，然而審查人員花費大量時間分析所選公司的變更或交易量，以識別可能涉及可疑活動、需進一步調查的情況。

This prompted a thoughtful suggestion from the user as well as the CR auditor: What if AML for CSA could include a feature to swiftly retrieve such data, streamlining audits and improving efficiency?

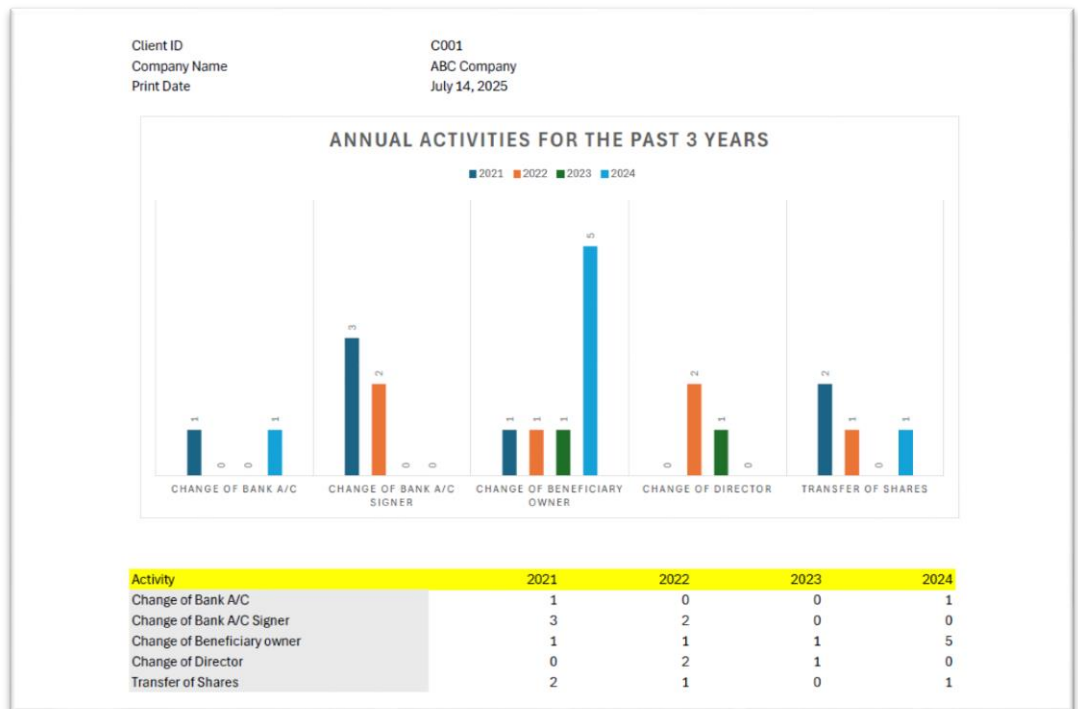
在這次審查後，用戶與公司註冊處審查人員提出一項實用建議：若 AML for CSA 能提供一項功能，使相關數據可迅速擷取，不僅可縮短審查時間，亦可提升效率。

Following this feedback, we’ve developed a preliminary solution—a connected Excel worksheet that integrates with the system. This worksheet allows users to review annual activities and identify transaction counts related to specific flagged events for selected companies.

依據此回饋，我們開發出初步解決方案：一份與系統整合的 Excel 連結工作表。透過此工作表，用戶可檢視年度活動紀錄，並快速識別各所選公司中與特定標記事件相關的變更或交易宗數。

Here’s a preview of what the worksheet will look like:

以下是該工作表的預覽畫面：



We're keen to hear your thoughts! In particular, we welcome suggestions on the types of clients' activities you would find most useful. Once finalized, this feature will be included in an upcoming program update. Thanks!

我們誠摯期待您的寶貴意見！尤其是就客戶活動類型方面提出建議。此功能最終確定後，將會在更新版本中推出。感謝！



CPAnywhere: Professional Practice Management System 執業管理系統

Competing Successfully with CPAnywhere

讓 CPAnywhere 成為你的競爭優勢

(continued from the last issue)
(接上期)

Preface: Running a professional firm is challenging. However, you can stand out among the crowd and unlock new strategies to streamline your practice and boost profitability. In this issue, we will continue to share with you some powerful features of CPAnywhere that may inspire you to revolutionize your firm and redefine success.

前言：經營會計師或律師事務所充滿挑戰，但您可以脫穎而出，掌握創新策略，優化業務流程並提升盈利能力。我們將會在本期繼續與您分享 CPAnywhere 一些強大功能，助您激發靈感，革新業務，重新定義成功。

(3) “Marketing” your Professional Service through Community Service 透過社區服務提升專業形象

A professional firm that is committed to serving the community is to be considered a responsible organization by clients. Try to offer a few services to your favorable charitable organization that has a good reputation and good people on its executive

committee. The best and easiest way to participate is to be their auditor and donate the audit fee back to the organization. Since audit-related costs are largely fixed, taking on an additional assignment typically does not incur significant extra expense. However, the return in terms of sense of satisfaction and the expanded professional networks can far outweigh the costs.

致力於服務社區的專業公司會被客戶視為負責任的機構。若您希望推廣自身服務，同時回饋社會，不妨考慮選擇一家您認同的、具公信力且執行委員會成員優秀的慈善團體，提供一些專業服務。參與的最佳且最簡單的方式就是成為他們的審計師，並將審計費用捐回給該機構。由於與審計相關的成本基本上固定，因此承擔一項額外的任務通常不會產生太多額外費用。然而，從滿足感和專業人脈網絡開展方面獲得的回報可能遠遠超過成本。

To further elevate your public image, consider applying for the “Caring Company” designation awarded by the Hong Kong Council of Social Service. If granted, your firm may use the official logo, signaling your commitment to corporate social responsibility. This scheme was first introduced in 2002.

若您希望進一步強化公眾形象，可考慮申請由香港社會服務聯會頒發的「商界展關懷」標誌。獲批後，您的公司將可使用該官方標識，向社會展示對企業社會責任的重視與承諾。該認證計劃於 2002 年首次推出。



One of our co-founders, Mr. Harry Tsui, used to serve as the Chairman (while the late Chief Justice Sir T.L. Yang was then the President) of a charitable organization that has long been a vital lifesaver for many of our grassroots boys. Faced with limited funding to expand some of their programs, Mr. Tsui reached out to his CPA friends—Charles Chan, Ip & Fung (now CCIF CPA Limited)—as early as 2000. They not only offered their professional expertise but also embraced the charitable organization’s mission with wholehearted dedication.

我們的一位共同創辦人徐助雄先生曾經擔任一個慈善組織的主席（已故首席大法官楊鐵樑爵士是當時的會長），該組織長期以來一直是我們許多基層青年的救星。由於資源所限，有些專案的規模無法擴大，徐先生早在 2000 年就聯繫了他的會計師朋友陳葉馮會計師行（現稱陳葉馮會計師事務所有限公司）。他們不僅貢獻了專業知識，還全心全意地支持這個慈善組織的使命。

Getting involved is not difficult, and if you are interested, here’s how you can begin:

參與其中並不困難，如果您有興趣，可以按照以下方式開始：

- (1) Find out what a caring company is at
造訪以下網頁，了解什麼是「商界展關懷」公司：
https://caringcompany.org.hk/en_index.php.
- (2) Choose a suitable organization:
選擇合適的機構：
<https://www.hkcss.org.hk/membership/membership-overview/?lang=en>.
- (3) Contact the organization’s General Secretary or CEO for more information.
聯絡該機構的秘書長或執行總監以了解更多資訊。
- (4) Discuss your potential level of involvement with their executive committee.
與該機構的執行委員會討論您可能參與的程度。
- (5) Display the organization’s annual report in your reception area.

在您的接待處展示該機構的年報。

- (6) Feature the Caring Company logo on your correspondence and name cards.
在您的信件和名片上印上「商界展關懷」的標誌。

Taking the first step is important to uplift your firm's reputation and boost employee morale by showing your commitment to community service.

踏出第一步至關重要，它能提升您公司的聲譽，並鼓舞員工士氣，展現您對社區服務的承諾。

(4) Being a Guest Speaker at Trade Organizations

擔任行業組織的演講嘉賓

While it may be one of the most time-consuming approaches, being invited as a guest speaker at a trade organization's special seminar is also among the most effective ways to promote your services. When attendees gain value from your expertise, they're often eager to seek further professional assistance from you.

雖然這可能是最耗時的方式之一，受邀擔任行業組織特別研討會的演講嘉賓，仍是推廣您專業服務最具成效的方法之一。當與會者從您的演講中獲得實質價值，他們往往會主動向您尋求進一步的專業協助。

To position yourself as a potential guest speaker, consider these steps:

要成功定位自己為潛在的演講嘉賓，可參考以下步驟：

- (1) Equip yourself in your field of expertise and the advice that you can confidently share.
扎實掌握所屬領域的知識，並能自信地分享您的建議。
- (2) Send tailored letters to relevant trade organizations with your course outline.
撰寫具針對性的邀請信，附上課程大綱，寄送至相關行業組織。
- (3) Make your presentation as personal as possible to resonate with the specific audience.
讓你的演講具個人風格，以引起特定聽眾的共鳴。
- (4) Familiarize yourself with the guest list and their affiliated companies.
事前了解來賓名單及其所屬公司。
- (5) Encourage attendees to ask questions during your talk and respond with thoughtful advice.
在演講期間鼓勵聽眾發問，並以具啟發性的建議回應。
- (6) Prepare a concise fact sheet together with some useful information for attendees to refer to after the event.
準備一份事後可供查閱的簡明文件，包含有用資訊與聯絡方式。
- (7) When a guest follows up, make sure to recall their name and background to reinforce your connection.
當有來賓事後聯絡時，能準確記得其姓名及背景，展現您的關注與誠意。

(5) Prospective Client Management

潛在客戶管理

Engaging the full strength of your organization can be the deciding factor between winning new business or losing valuable opportunities. While each firm may approach its "Get Your Client" strategy differently, success in execution is what drives growth. The ultimate objective is not just acquiring "prospective" clients, it is building lasting relationships that turn prospects into "real" clients.

能否有效整合並運用整個組織的力量，往往是左右新業務成敗的關鍵所在。儘管各家公司在「客戶開發」策略上的執行方式各異，成功地執行才是真正推動成長的核心動力。終極目標不只是吸引“潛在”客戶，而是透過建立長期且穩固的關係，將其轉化為“真實”客戶。

Here are five key strategies to enhance your client acquisition and retention approach:

以下五項關鍵策略可助您提升客戶獲取與留存效能：

- (1) Encourage every member of the organization to actively participate in attracting and serving potential clients, fostering a customer-centric culture throughout the firm.
鼓勵組織內每位成員主動參與吸引並服務潛在客戶，共同營造客戶導向的公司文化。
- (2) Setting up a clear and standardized sales procedure to help teams operate efficiently and maintain consistency in client interactions.
設計清晰和標準化的銷售流程，以提升團隊效率，並確保客戶互動的一致性與專業性。
- (3) Regularly review all prospect communication channels, including emails, phone calls, meetings, and other touchpoints, to improve responsiveness and to ensure no valuable lead is overlooked.
定期檢視潛在客戶的溝通管道（包括電郵、電話、會議等接觸點）來加快回應速度，避免錯過任何商機。
- (4) Equip your team with dedicated tools to generate and print customized quotations anytime, anywhere, to elevate customer experience.
為團隊提供可“隨時隨地”生成與列印客製報價單的專屬工具，以提高客戶體驗。
- (5) Include prospective clients in your mailing lists to share your firm's literature, such as newsletters, and other promotional material that showcase your expertise and value.
將潛在客戶納入郵件名單，使其能定期接收您的電子報和其他宣傳資料，以展示您的專業能力與價值。

How CPAnywhere Can Help CPAnywhere 如何助您一臂之力

We recognize the importance of engaging with prospective clients, which is why we have dedicated an entire function to support this process. Most features are optimized for mobile use, allowing you to manage client interactions seamlessly, even when you're away from your desk.

我們深知與潛在客戶互動的重要性，因此特地設計了一組專門功能來支援這項流程。大多數功能皆針對行動裝置進行了優化，讓您即使不在辦公桌前，也能輕鬆管理客戶互動。

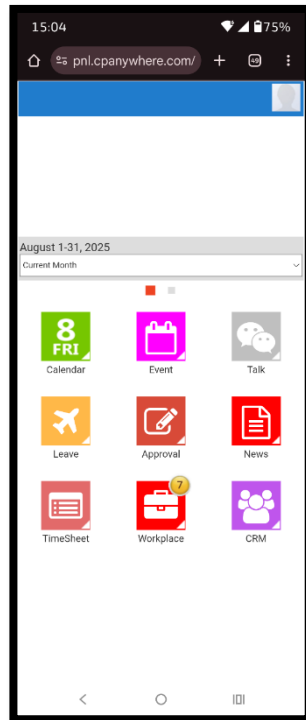
Consider the following scenario:

以下是一個情境的說明：

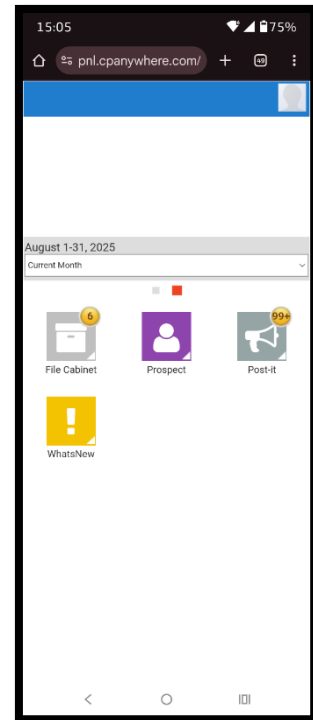
You meet Mr. Peter Lam, the Chairman of a listed company, at a cocktail party. After a pleasant conversation, Mr. Lam hands you his business card. During a brief pause, you take out your phone, open your CPAnywhere, and follow these steps:

您在一場雞尾酒會上遇見某上市公司的主席林彼得先生。經過一段愉快的交談後，林先生遞給您他的名片。在短暫的空檔中，您拿出手機，開啟您的 CPAnywhere，並依照以下步驟操作：

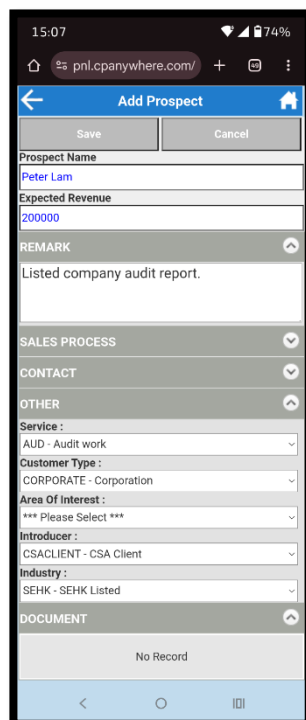
- (1) Log in to CPAnywhere in your phone.
 在您的手機登入 CPAnywhere。



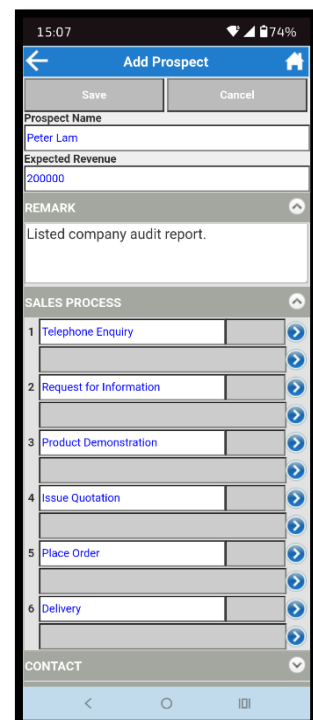
- (2) Go to page 2 of the main menu and select Prospect.
 前往主選單第 2 頁，然後選擇 "Prospect" (潛在客戶)。



- (3) While talking to the potential client, enter his or her basic information there.
 在與潛在客戶交談的同時在此輸入其基本資料。



- (4) Afterwards, keep track of the progress on each "business lead" by everyone involved.
 其後持續關注所有參與同事對每個 "業務線索" 的進展情況。



It is important to enter basic client information on the spot rather than waiting until later. Make sure everyone involved in your firm is aware of potential clients and treats them with the appropriate respect. Your client will appreciate it when he knows that he and his company are known to your firm even before they officially become your clients.

記著，儘量當場輸入客戶的基本資料，而不是等到稍後再回想。要確保公司裡的每個參與同事都對潛在客戶有所了解，並給予他們應有的尊重。當你的客戶知道，在他正式成為你的客戶之前，你公司已對他和他的公司有所了解時，他會非常欣慰。

(This article is part of a serial publication and will continue in the next issue.)

(本文屬系列連載，將於下期繼續。)



General Interest

產品以外

Hong Kong's Stablecoins: a stealth attack on US dollar dominance?

The Hong Kong Monetary Authority has been pushing the adoption of Stablecoins aggressively, even more so than the US. The quick passage of the Stablecoins Ordinance (cap.656) # is way ahead of the US GENIUS Act ##, which sets up the foundation for Stablecoin adoption. Why the rush? Before we explore the reasons behind it, we first try to understand what Stablecoins are.

<https://www.info.gov.hk/gia/general/202506/06/P2025060600275.htm>

<https://www.whitehouse.gov/fact-sheets/2025/07/fact-sheet-president-donald-j-trump-signs-genius-act-into-law/>

Stable Value of Stablecoins

How much would you pay for my one-hundred-dollar bill? The answer is no more than a hundred dollars. Now, let's say I am issuing 100 Stablecoins. Each Stablecoin is fully backed by one Hong Kong dollar. How much would you pay for 100 Stablecoins? The answer is 100 Hong Kong dollars.

Then why is Hong Kong suddenly so interested in Stablecoins?

The US is a leading and controlling power in world finance. It not only controls 60 percent of the world's currency transactions, but it also controls SWIFT, the clearing house. Stopping an entity from moving money through SWIFT is like declaring a death sentence. That is why no bank would like to do business with anyone that is under sanction by the US for fear of secondary sanctions.

As you can see, many of our beloved heads of government are currently under this severe constraint. Imagine you cannot open a bank account or apply for a credit card or get a loan from any bank, even from the mainland-controlled Chinese banks; how much actual inconvenience that would be to anyone. I guess the only option is to use a high-limit Octopus Card with no name registration.

An Octopus Card is just like Stablecoin. You put the local currency into the crypto coin wallet, then you start using it at businesses that accept those cryptocurrencies. It does

not need SWIFT to do the settlement. If both buyer and seller are using the same crypto coins, it is just a debit and a credit to each side. Fast and simple. Our heads will become happy persons dancing at the altar of the Hong Kong Monetary Authority.

Of course, I am just kidding. Our heads are so powerful and omnipotent that no amount of “so-called” sanctions would affect their quality of life.

Why are there so many financial institutions, cryptocurrency experts, and business enterprises rushing in to apply for the Stablecoin licenses?

Before you can answer that question, you need to look at the benefits.

Each Stablecoin's license is like having a bank license to issue currencies. The shift of banking service from centralized banks to decentralized institutions – many traditional tasks like savings and checking accounts are being gradually replaced by new forms of investment and payment schemes. The concept of money is no longer paper money but a numerical unit under different issuers.

Acceptance of Deposits and Use of the Deposits for Investment – theoretically, the value of Stablecoins depends on their backing.

Why the change?

Paper money is obsolete – When I first went to Seattle's Hui Lau Heung mango drink shop four years ago and tried to pay for my drink, the cashier told me that they do not accept cash. You see, a business would rather not be making a sale than dealing with paper money. Look at Japan, the demand for its new paper money is low. That prompts them to consider the digitalization of yen.

Transaction cost is too high – Dealing with paper money involves risk. The main risks are robbery, pilferage, fake currency, and the cost of transportation from the business to a banking facility. Digitalization would solve most of its problems. Lower transaction costs in international transactions would encourage this development.

Then what are the real reasons?

The speed and velocity in making the legislation and promoting the use of Stablecoin are unprecedented in Hong Kong's conservative US dollar-pegged environment. Under the present system, there is not much you can do in monetary policies since the Federal Reserve Bank makes the decision on our behalf. An economist once joked that all the Hong Kong Monetary Authority needs is just two people to buy or sell US dollars when the Hong Kong dollar is deviated from a 1:7.8 ratio.

I think the speeding up of the Stablecoin is trying to serve one purpose, that is to link the Chinese offshore yuan to a digitalized currency for international transactions.

Bitcoin vs Stablecoin

The major difference between Bitcoin and Stablecoin is their underlying assets. Although Bitcoin is now valued at over USD100,000 per coin; however, there is nothing underlying it, just numbers. The gold coin picture of a Bitcoin is just fake. It gave a false image to common people to think a Bitcoin is backed by gold. Remember the famous quote by Warren Buffett that the entire Bitcoin valuation isn't worth more than 25 US dollars. His partner, Charlie Munger, even said Bitcoin is just horse shit. These two clever people see that the King has no clothes when everyone says how Bitcoin is so beautiful and patched with gold. The only value it had was its cap at 21 million, as it is the antidote to the non-stop printing of the US dollars.

Stablecoin is the opposite of Bitcoin. The best example of Stablecoins is USDT issued by Tether, based in El Salvador, which uses the US short-term 90-day Treasury Bonds as its 1:1 underlying asset. Others may use the USD and other popular currencies. That means Stablecoins are, in fact, just the other face of fiat currencies. I can foresee some may use silver or gold, the commonly accepted store of value that is not fiat. How to make good returns on the balance is the ultimate measure of success. Tether makes money by investing in US Treasury, and no need to pay any interest to USDT holders. It earned 13.6 billion USD last year with its 162 billion USD deposits and only 165 employees totaled. This is more profitable than being with the regular banks. That's why people are rushing into it to get the license.

	Bitcoin	Stablecoin
Creator	Satoshi Nakamoto, but no one knows who he is	Licensed by authority
Issuance	21 million	No limit
Transaction	Peer-to-peer	Clearing house
Ledger	Distributed	Maintain by creator
AML	It depends on the location of the exchange	Yes
Underlying value	None	In the US: USD, US Treasury bills. In Hong Kong: Any currency accepted by the HKMA.

Stablecoin must be fully backed by its underlying assets—for example, 7.8 Hong Kong dollars should correspond to 1 US dollar in reserve. The issuer of these Stablecoins is responsible for maintaining adequate reserves and must be subject to strict oversight by the Hong Kong Monetary Authority to ensure transparency and financial stability.

Common people are fascinated by the rapid rise in value of Bitcoin. This gives a mystique quality to any so-called digital currency. The use of terms like personal digital wallet, blockchain, node, and coin mining are just built-in mechanisms of how Bitcoin works. The one and only purpose of Bitcoin is to act as an antidote to the unlimited printing of the US dollar.

The present way of the Bitcoin mechanism is not suitable for any large-scale, real-time transactions. There is no system fast and powerful enough to handle this kind of operation, that is, to update all nodes and all distributed ledgers for each transaction. This is a big waste of resources and impossible to accomplish. Would you like to wait for a few minutes, even if the system can be that fast, to buy a drink at 7-11, so that all the ledgers that each Bitcoin holder holds get updated before finalizing the transaction?

To put it simply, Stablecoins are like using an Octopus card, as we said at the beginning of the article. You put Hong Kong, US, or Offshore RMB money in it; the Octopus will keep track of your balance. It makes a contract with the retailer or businesses. The Octopus card is your personal wallet. You have your own ledger. If you lose it, you may risk losing the entire amount in that wallet until you notify Octopus to stop it. What Stablecoin does is practically the same.

How would Octopus make money? It makes money by its investment income from the balances, as well as transaction fees, if any.

How would Stablecoin make money? It also makes money from using the balances for

investment purposes, just like Tether. The major difference is that Octopus has an upper limit of HKD3,000, whereas Stablecoin has no limit. Octopus holders would not get any interest from the balances, whereas Stablecoin creators may offer interest income on balances in the future. (Interest income on Stablecoin is prohibited in the US.) Businesses that wish to accept Octopus as a form of payment would need to purchase a device from Octopus. As for Stablecoin, they still need a clearing house to mitigate different coins unless both parties are using the same Stablecoin. To accomplish this task, Hong Kong can initiate the first Stablecoin clearing house for worldwide Stablecoin transactions.

The real advantage of Stablecoins backed by Chinese yuan is in their international adaptation. This is a clever way to push the Chinese currency to others without attracting suspicion. Just like the real reason for President Trump to push for the GENIUS Act is to increase the interest on its US Treasury. When Amazon plans to issue Amazon Coin, I can foresee AliExpress, Temu, Shein, and others will also issue theirs. All they need to do is to offer real advantages to buyers, such as free shipping, discounts, and a premium gift if the buyer chooses to use the Yuan-backed Stablecoin to pay for goods and services.

This is the real stealth attack on the US dollar dominance, and to avoid the US-controlled SWIFT. If it succeeds, it's like wiping out one or two US carrier groups from the Pacific Ocean. To do this, Hong Kong, with its hundred years of experience in international finance, is tasked with this ultimate task. When some ignorant mainlanders were laughing at Hong Kong being the historical financial center, the rise in cryptocurrencies will once again transform Hong Kong into the world stage of world currency finance, a much bigger role than just the local stock exchange market.

Our Observation

Is Stablecoin a hype, a temporary excitement in response to the phenomenal rise of Bitcoin? The reason for Bitcoin to use a limited number of 21 million is in contrast to the unlimited printing of fiat currencies. In this case, there is no limit to the issuance of Stablecoin. Most criminals and people who want to transfer money from one country to another without the knowledge of their authorities prefer Bitcoin because of its anonymity and the decentralization of the ledger, while Stablecoin requires a centralized ledger controlled by its issuers and to follow the strict law of AML/CTF, especially in know-your-client (KYC). The identification of Stablecoin owners is contrary to the fundamental aspects of Bitcoin. No wonder there are many voices recently from the crypto community and potential issuers about the rigidity of AML compliance. That means traditional users of Bitcoin will not use Stablecoin to do their transactions. Stablecoin is just like another debit card or Octopus card; it still needs to compete with other established payment methods like credit cards. So, is Stablecoin a hype that will fade away fast? Most likely so. The return on depositing in Stablecoin does not match the risk of no government guarantee and the collapse of Stablecoin issuers, especially those new and undercapitalized issuers that are championing their knowledge of Decentralized Finance (DeFi) and cryptocurrency knowledge. Do pay extra attention to those issuers' claims and do not be fooled by them. As to the more widespread adoption of RMB-backed Stablecoin, that is possible for some backward countries that have no or little access to US dollars. It is just like the Belt and Road project; connecting the poorer countries of the world doesn't give you any real benefits when US dollar-backed Stablecoin accounts for over 99% of the world's cryptocurrencies.

Comparisons of the US and HK legislation on Stablecoins

	The U.S. GENIUS Act	HK Stablecoins Ordinance
Who can issue Stablecoin?	Only the US banks, non-financial companies licensed by the OCC (Office of Currency Comptroller), and qualified state institutions.	Only the corporations incorporated in HK and licensed by the HKMA.
Foreign issuers	Must register with the OCC and be based in a country with comparable regulations.	Must form a local corporation and adhere to the same requirements.
Reserve requirements	All Stablecoins must be backed 1:1 with cash or short-term US Treasurys. No leverage allowed.	Reserve must be backed by liquid assets pegged to any currency, HKD, USD, or Offshore RMB.
Audits/disclosure	Issuers must publicly disclose reserve holdings and undergo third-party audits.	Monthly audits and disclosure.
Any interest to holders?	Stablecoins are for payments only, not savings. Offering interest is prohibited.	No restriction.
Big tech restrictions	Large tech firms and commercial banks must form separate subsidiaries to issue Stablecoins, limiting market power.	Anyone can apply for the license, but it needs to be "selected" by the authority.
Enforcement/penalty	Civil penalties up to \$100,000 per day for violations and accruals.	USD 640,000- and 7 years imprisonment.
AML compliance	Compliance with all AML requirements, like Sanction Check, KYC, CDD, and filing of the Suspicious Transaction Reports, as well as the recent Travel Rule. #	Compliance with AML/CFT requirements under the FATA standards, like Sanction Check, KYC, CDD, and STR filing, as well as the Travel Rule.

Travel Rule, a FATA Recommendation to Virtual Assets, requires VASPs and FIs to obtain, hold, and transmit specific originator and beneficiary information immediately and securely when transferring VAs.

By Harry Tsui, Co-founder, P & L Associates
 (This article does not have a Chinese version.)
 (本文並無中文版。)

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