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WEEKLY RISK UPDATE / JUNE 12, 2026

Stablecoins Advance, Bridges Break, and Continuum Expands: This Week in Asia Risk

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REGULATORY

Hong Kong's stablecoin pipeline advances as LegCo gets update on licensing progress

In a Legislative Council reply on June 10, the Secretary for Financial Services confirmed the HKMA received 36 stablecoin issuer applications under the Stablecoins Ordinance, with two licenses granted in April and Hong Kong-regulated stablecoins expected to launch as early as mid-2026. The HKMA is now engaging remaining applicants, assessed against criteria covering use cases, business model sustainability and compliance, with officials stressing the licensing threshold "will remain very limited." The SFC's ASPIRe roadmap continues in parallel, having removed the 12-month track record requirement for stablecoins from licensed issuers offered to professional investors. For insurers, this signals the regulated stablecoin segment is moving from pilot to live operations, with reserve management, redemption mechanics and custody all becoming insurable exposures.

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REGULATORY

Singapore's June 30 deadline for unlicensed digital token providers looms

With less than three weeks remaining, Singapore-incorporated digital token service providers serving only overseas clients face a hard June 30 deadline to either secure a Part 9 license under the Financial Services and Markets Act or cease operations entirely. MAS has indicated licenses will be granted only in "extremely limited circumstances," citing money laundering and terrorism financing risk from firms using Singapore as a base while serving no local clients. With no transitional grace period, firms caught unlicensed after the deadline face being forced to wind down. For Continuum and brokers in the region, this is a live trigger for D&O, PI and crime exposure questions among Singapore-based crypto entities scrambling to either license up or restructure offshore.

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HACKING & PHYSICAL RISKS

Syscoin bridge exploited for $10M after attacker tricks proof validation

Syscoin paused its UTXO-EVM bridge on June 8 after an attacker exploited a parsing flaw in the bridge relay's proof validation logic, minting roughly 5 billion unauthorized SYS tokens worth an estimated $10M. Unlike a cryptographic break, the attacker crafted a malformed proof that the relay incorrectly accepted as valid for a burn transaction that never occurred. SYS dropped roughly 20% on the news. The team has coordinated with exchanges to freeze tainted funds and has a fix in place. The incident is another entry in 2026's run of bridge-specific exploits stemming from proof-parsing errors rather than flawed cryptography, reinforcing the case for bridge-specific underwriting segmentation.

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HACKING & PHYSICAL RISKS

DOJ-led "Disruption Week" freezes $3.8M tied to Southeast Asia scam compounds

The US Department of Justice's Scam Center Strike Force announced on June 3-4 that a coordinated operation with Coinbase, Meta, Microsoft, Apple, Google and SpaceX disrupted 1.4 million accounts and froze over $3.8M in cryptocurrency linked to pig-butchering and romance-baiting scam networks operating from Southeast Asian compounds. Thai police separately arrested 63 people connected to the operations. With global scam losses hitting $7.2B in 2025, the action underscores that Southeast Asia-based fraud infrastructure remains a persistent source of crypto-related loss and reputational risk for institutions whose platforms or rails get used as off-ramps, a relevant data point for crime and cyber policies covering payment processors and exchanges with regional exposure.

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INDUSTRY & MARKETS

Pacific Life Re inks third asset-intensive reinsurance deal with Tokio Marine & Nichido Life

Pacific Life Re completed its third asset-intensive reinsurance transaction with Tokio Marine & Nichido Life, continuing to build out its position in Japan's asset-intensive reinsurance (AIR) market. The repeat dealflow with one of Japan's major life insurers signals growing institutional comfort with offshore reinsurance structures for back-book and capital management purposes. For the broader region, it reflects a steady normalization of asset-intensive reinsurance as a capital tool among APAC life insurers, a trend likely to continue as insurers manage longevity and interest rate exposure on legacy books.

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INSURANCE SPOTLIGHT

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