Stablecoin Standard

Stablecoins – Beyond Traditional Cash

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Introduction - overview

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- A Stablecoin is a cryptocurrency where the value is pegged to a reference currency (USD, EUR, JPY)
- From $5BN 5 years ago, they now sit around $300BN of market capitalisation.
- Stablecoins have progressed beyond a crypto centric product towards mainstream adoption.
- Most are USD denominated and USD Stablecoin issuers are now amongst the largest purchasers of US debt. If USD Stablecoin issuers were a country, they would be the 6th largest purchaser of US short term Treasuries.
- Growing Bank issued Stablecoins: SG Forge (EUR pegged issued by Societe Generale), Qivalis consortium of 10 banks looking to launch a EUR pegged stablecoin in 2026

Introduction – Why are they more relevant for financial institutions

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- Blockchain technology is more prevalent in the financial services ecosystem. The concept of trusted shared databases has opened up major opportunities for fintech and financial institutions.
- Global demand for faster settlement.
- 24/7 liquidity and programmability.
- Rapid growth in payments, settlement, and markets.
- Bridges traditional finance and blockchain networks.
- Growing regulatory clarity enabling institutional use.
- EUR bond markets are fragmented – EUR Stablecoins can be a useful intra bank transfer mechanism.

CBDCs vs Stablecoins

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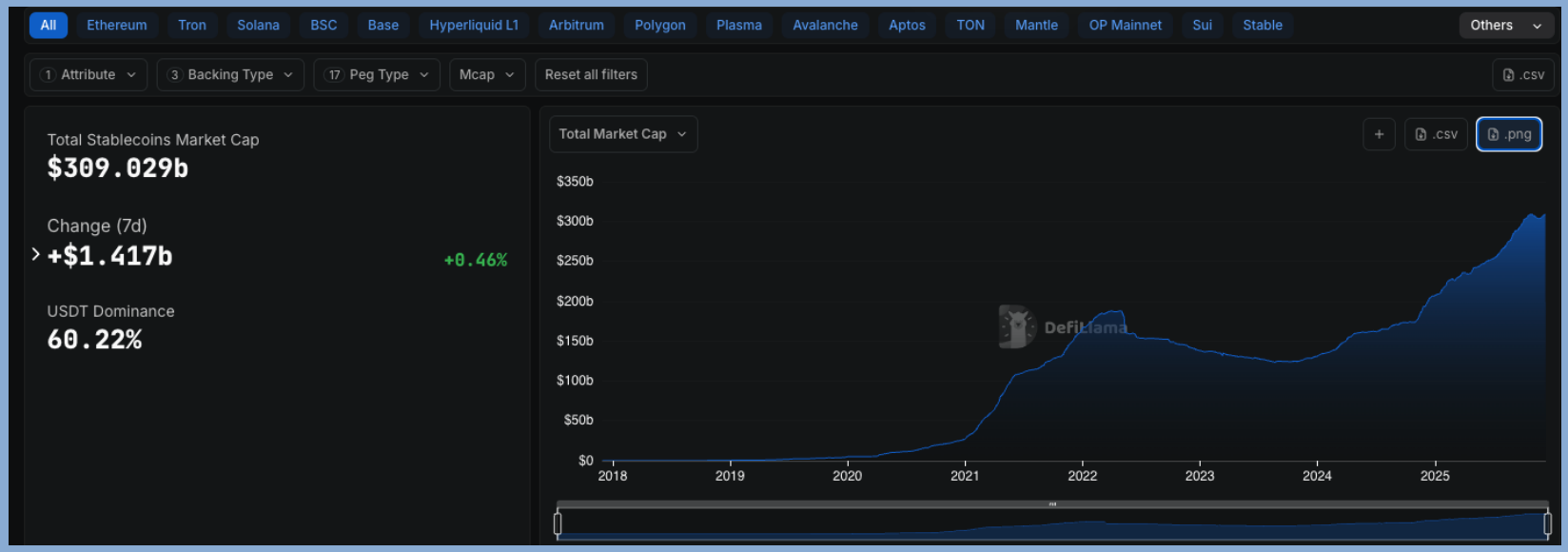
- Functional and Technological differences
- CBDC – digital M0 – central bank money. Direct liability of the central bank
- Stablecoins – effectively a digital M2 equivalent. Privately issued narrow bank money (Stablecoin issuers are effectively private ‘narrow’ banks)
- Implications for commercial banks and market participants.
- Tokenised Deposits – Banks are tokenising their liabilities. JP Morgan, Citi are examples. Different to Stablecoins and effectively a digital M1
- Interoperability between the various forms of on-chain money.

Real Stablecoin Supply

Stablecoin Standard



Real Stablecoin Supply by Issuer

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Name	Chains	% Off Peg	1m % Off Peg	Price	1d Change	7d Change	1m Change	Market Cap
1 Tether (USDT)	+97	+0.01%	-0.11%	$1	-0.05%	+0.43%	+1.48%	$186.109b
2 USD Coin (USDC)	+115	-0.08%	-0.12%	$1	+0.19%	+0.78%	+3.47%	$78.154b
3 Ethena USDe (USDe)	+17	-0.07%	+0.41%	$1	-0.83%	-4.78%	-22.26%	$6.554b
4 Sky Dollar (USDS)		-0.05%	-0.11%	$1	+0.19%	+1.61%	+11.35%	$6.231b
5 Dai (DAI)	+43	-0.04%	-0.17%	$1	-0.28%	-0.24%	-5.58%	$4.637b
6 PayPal USD (PYUSD)		-0.02%	-0.06%	$1	-0.11%	+0.40%	+22.25%	$3.814b
7 World Liberty Financial...		-0.09%	-0.15%	$1	+0.37%	+0.90%	-2.46%	$2.779b
8 Falcon USD (USDf)		-0.11%	-0.41%	$1	+1.03%	+1.12%	+5.23%	$2.106b
9 Circle USYC (USYC)		-	-	$1.11	0%	+12.62%	+36.94%	$1.346b
10 BlackRock USD (BUIDL)		0%	0%	$1	+0.01%	-13.11%	-41.96%	$1.324b
11 Ripple USD (RLUSD)		-0.04%	-0.09%	$1	-0.03%	+1.28%	+23.49%	$1.296b
12 Global Dollar (USDG)		-0.03%	-0.04%	$1	-0.91%	+10.71%	+17.37%	$1.189b

Fee Comparison: Stablecoins vs Traditional Rails

Bank Wires / Traditional FX

- Typical fees: $25–$50 domestic; $40–$50+ international.
- FX markups often 2–4% or 5–10% all-in on some corridors.
- Settlement speed: 2–5 business days, business hours only.

Card Networks

- Merchant discount rates typically 1.5–3%+ per transaction.
- Additional cross-border and FX surcharges.
- Settlement to merchants typically T+1 to T+3.

Stablecoin Rails (On-Chain)

- On-chain network fees: cents to a few dollars, depending on chain.
- End-to-end cost (on-/off-ramp + network) often ~0.3–1.0% for scaled flows.
- Settlement in seconds or minutes, 24/7/365.

Illustrative fee ranges based on recent public sources
(World Bank remittance data; Stripe, TransFi, Opendue, and other analyses of stablecoin vs wire and card costs, 2024–2025).

Types of Stablecoins

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- Stablecoins as digital tokens pegged to fiat.
- Asset-backed: fiat, T-bills, cash deposits. Examples include Tether (USDT), Circle (USDC) and Paypal (PYUSD).
- Algorithmic: incentive/algorithm-driven stabilization. Examples include DAI (SKY), Ethena and historically Terra Luna
- Algorithmic behavior vs collateralization.
  - Fragility observed in past models.
  - Generally unsuitable for institutional risk frameworks
- Key differences in risk and design.
- The market capitalisation of Stablecoins are overwhelmingly in Asset Backed Stablecoins.
- Risk considerations (Liquidity, collateral transparency, operational risk).

Use Cases for Treasurers and Traders

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- Settlement efficiency and speed (instant finality, no ‘Herstatt’ risk)
- Liquidity management – Multinational corporates increase efficiency and decrease FX risk. Dollarise global treasury
- Cross-border payments and FX implications
- 24/7 availability. Alternative to RTGS systems for T0 movements
- Programmable FX, hedging, and routing
- Alternatives to SWIFT
- Reduced correspondent dependency.
- On-chain liquidity buffers.
  - Intraday treasury mobility.
  - Efficient rebalancing across venues and entities.
- • Real-time settlement, no cut-offs.
  - Reduced counterparty exposure.
  - Useful for OTC, tokenized assets, collateral flows.

Regulatory Landscape

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- Overview of key regulatory frameworks (EU, MiCA, MAS, ADGM)

- Regulatory maturity varies across markets. Some jurisdictions already enforce detailed rulebooks, while others have established models that are not yet fully operational. Several more remain in early legislative or consultation phases.

Jurisdiction	Regulatory Status
European Union	Fully operational MiCA framework
Hong Kong	Fully operational payment-token licensing
Japan	Fully operational bank/trust model
ADGM	Finalized; effective 2026
United States	Federal statute passed; rules pending
Singapore	Framework finalized; commencement pending
United Kingdom	Framework legislated; rules in consultation
Australia	Digital asset bill under review
China	Prohibition-based approach

Regulatory Landscape – EU - MiCA

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- The European Union stands out for offering a largely harmonized and now operational framework for fiat-referenced stablecoins.

- Under the Markets in Crypto-Assets Regulation (MiCA), e-money tokens (EMTs) and asset-referenced tokens (ARTs) are subject to clear rules that define how reserves must be held, how redemption works, and what issuers must disclose.

- MiCA creates a unified supervisory framework across the EU, supported by regulatory technical standards (RTS/ITS) issued in 2024–2025. This alignment reduces legal friction for cross-border operations and enables stablecoin-related workflows to scale more predictably.

- Combined with Europe's emphasis on consumer protection and financial stability safeguards, MiCA offers one of the clearest regulatory pathways for enterprises considering stablecoin adoption across multiple markets.

Regulatory Landscape – US - GENIUS

- The GENIUS Act introduces a statutory definition of “payment stablecoin” and establishes categories of permitted payment stablecoin issuers, including federally supervised issuers and state-qualified issuers.

- Federal implementing rules are currently being developed following the ANPRM, but until the federal regime is operational, enterprises must continue to navigate state-level licensing structures.

- The NYDFS regime remains a leading benchmark: supervised USD stablecoins must be fully backed by high-quality U.S. dollar assets (short-dated Treasuries, reverse repos collateralised by Treasuries, government money-market funds, and insured bank deposits), offer redemption at par with “timely” processing (typically within two business days), and undergo monthly independent reserve attestations plus annual reports on internal controls.

- Regulated USD stablecoins are widely accessible across the U.S., but integration often still involves assessing state money-transmission and custodial rules or partnering with appropriately licensed entities. Given the depth of U.S. dollar liquidity and the maturity of leading issuers, the U.S. remains one of the most influential jurisdictions for enterprise-grade adoption of stablecoins.

Regulatory Landscape – UK

- The United Kingdom has committed to establishing a regulatory framework for fiat-backed stablecoins within its payment ecosystem. Under the proposed structure, the Bank of England will supervise systemic stablecoin arrangements, while the FCA will oversee non-systemic issuers and intermediaries.

- The detailed requirements for reserves, redemption, and operational standards remain under consultation, with full implementation to follow the completion of legislative and supervisory processes.

- In parallel, the FCA has launched a stablecoin sandbox cohort, enabling firms to test issuance models and contribute to the development of future rules.

Why Stablecoins Matter for Banks

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- 24/7 settlement improves liquidity and reduces counterparty exposure.
- Enables real-time treasury operations and cash mobility.
- Reduces dependence on correspondent banking for cross-border flows.
- Supports tokenized asset markets with instant Delivery-vs-Payment (DvP).
- Creates new product lines (custody, issuance, FX routing, payment rails).
- Enhances competitiveness against fintech and blockchain-native platforms.

Executive Summary

Stablecoin Standard

- Stablecoins are emerging as core settlement and liquidity instruments in modern finance.
- Adoption is driven by speed, transparency, 24/7 availability, and integration with tokenized markets.
- Regulatory clarity (MiCA, MAS, ADGM/VARA) is accelerating institutional readiness.
- Stablecoin Standard provides a global structure for safety, comparability, and transparency.
- StableCheck™ introduces an assessment benchmark to evaluate stablecoin resilience.
- Banks stand to benefit through improved liquidity management, cross-border efficiency, new product lines, and participation in tokenized asset settlement.

Q+A

Thank you!

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https://www.stablecoinstandard.com/stablecheck

About Stablecoin Standard

- Global industry body focused on safe, transparent, and interoperable stablecoin ecosystems.
- Supports issuers, regulators, financial institutions, and infrastructure providers.
- Establishes common terminology, risk frameworks, and disclosure standards.
- Provides technical and operational guidance to promote responsible industry growth.

Stablecoin Standards Framework

- Defines foundational categories: Fiat-referenced tokens, crypto-collateralized, algorithmic models.
- Establishes key assurance layers: collateral quality, liquidity, redemption processes, transparency cadence.
- Promotes standardized bilingual disclosures for institutional comparability.
- Aligns terminology with global regulatory frameworks (MiCA, MAS, ADGM, etc.).

StableCheck™ White Paper

- StableCheck™ introduces a standardized, independent assessment methodology for stablecoins.
- Evaluates reserve backing, governance, redemption mechanics, operational resilience, and regulatory compliance.
- Provides a transparent scoring model for institutions assessing stablecoin quality.
- Supports adoption of best practices and alignment with global prudential expectations.
- Functions as an industry benchmark similar to credit ratings — but focused on stablecoin structural soundness.