

# The Evolution and Impact of *Stablecoins* in Global Markets



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## What are Stablecoins?

### Stablecoins defined and enabled

Stablecoins have reached a critical junction in their evolution, with usage expanding across payments, remittances and retail finance. The United States has taken a definitive step by passing the GENIUS Act (Guiding and Establishing National Innovation for U.S. Stablecoins), the first federal stablecoin legislation. Signed into law on July 18, 2025, this bill seeks to establish a clear regulatory framework for stablecoins to operate as well as bring clarity to an industry that previously operated under a patchwork of state money transmitter laws and ambiguous federal oversight.

With the legislative framework now defining stablecoins as non-securities and non-commodities when issued by permitted entities, the bill resolves long-standing uncertainty over the Securities and Exchange

Commission (SEC) or Commodity Futures Trading Commission (CFTC) jurisdiction, opening a pathway for broader institutional and retail engagement in digital assets. This clarity enables greater integration of stablecoins within both traditional finance (TradFi) use cases such as real-time settlement and cross-border treasury flows as well as decentralized finance (DeFi) protocols that rely on programmable, fiat-pegged assets as collateral and payment rails.

Alongside this, deposit tokens have emerged as a complementary innovation providing a regulated, on-chain solution to the cash leg of digital asset settlement, particularly in tokenized financial markets. Regulators and issuers are now charting the implementation phase (due either within 120 days after rulemaking or by January 18, 2027, whichever comes first).





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## Why were they created?

Stablecoins were developed to enable the benefits of digital currencies (speed, decentralization, and programmability) while avoiding extreme price swings that limit cryptocurrency use for everyday transactions.

The stability in price aligns with most traditional fiat currencies making them more practical for everyday use in payments and trading.



## Stablecoins vs Digital Fiat vs Cryptocurrencies vs Deposit Tokens

Stablecoins are a type of cryptocurrency specifically designed to minimize price volatility by pegging their value to a stable asset, usually a fiat currency like the U.S. dollar. They are typically backed by reserves (e.g., cash, treasury bills), overcollateralized by other crypto assets, or maintained through algorithmic mechanisms. Stablecoins like USDT, USDC and DAI are commonly used in crypto trading, decentralized finance (DeFi) and remittances because they combine the efficiency of blockchain with the stability of traditional fiat currencies.






**Digital Fiat**, also known as Central Bank Digital Currencies (CBDCs), are digital versions of a country's official currency issued and regulated by central banks. Unlike stablecoins, digital dollars are legal tender, fully backed by the government. They are not decentralized and are designed to work within the traditional financial system, potentially offering benefits like faster settlements, financial inclusion and more effective monetary policy tools. As of 2025, dozens of countries have explored or launched CBDC pilot programs including Brazil (Drex) and India (Digital Rupee).

**Cryptocurrencies**, such as Bitcoin and Ethereum, are decentralized digital assets not tied to any fiat currency. They are powered by blockchain technology and operate independently of central authorities. Their value is determined by market supply and demand, making them highly volatile. Cryptocurrencies are used for a wide range of purposes including investment, decentralized applications (dApps), smart contracts, and as a store of value or medium of exchange in peer-to-peer transactions.

**Deposit Tokens** are a new category of digital assets that represent tokenized commercial bank deposits. Unlike stablecoins which are often issued by non-banks, deposit tokens are created by regulated financial institutions and are fully backed by customer deposits held at the issuing bank. They are not a new asset class but a digital representation of traditional bank money, benefiting from the same legal protections, including FDIC insurance and are subject to existing banking regulations. Deposit tokens have first been designed for use in tokenized finance ecosystems, enabling on-chain settlement of tokenized assets (e.g., bonds, private credit) with finality and compliance. Examples include JPM Coin and Citi's Regulated Liability Network (RLN) initiatives.



**Table 1:** Summary of Stablecoins vs Digital Dollars vs Cryptocurrencies vs Deposit Tokens

| <br><b>Type</b> | <br><b>Pegged to Fiat?</b> | <br><b>Issued by Government?</b> | <br><b>Decentralized?</b> | <br><b>Main Use Case</b> |
|--|---|---|---|---|
| Stablecoins  | Yes   | No  | Often   | Trading, DeFi, remittances  |
| Digital Dollars  | Yes   | Yes   | No  | Official payments   |
| Cryptocurrencies   | No  | No  | Yes   | Investment  |
| Deposit Tokens   | Yes   | No (but by regulated banks)   | No  | On-chain settlement, tokenized finance  |

## History

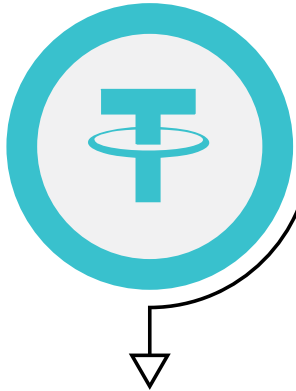
Stablecoins have been part of the digital asset landscape since 2014, created to address:

- Crypto-to-crypto transactions without reverting to fiat
- Remittances without Bitcoin-like volatility

The first was BitUSD, a crypto-collateralized stablecoin on the BitShares blockchain. Shortly after, Tether (USDT), emerged as the first widely adopted fiat-backed stablecoin. In 2017, Dai (DAI) introduced a decentralized, crypto-backed model maintained by smart contracts. Later, USD Coin (USDC) emerged as a transparent, regulated alternative. Today's ecosystem includes both fiat-backed and crypto-collateralized stablecoin models.



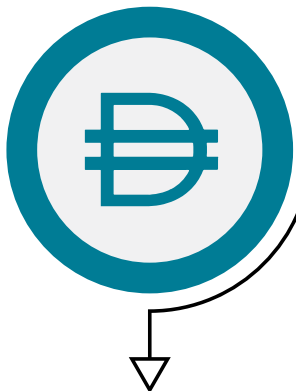




## 2015 – Tether (USDT)

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- **Issuer:** Tether Limited (affiliated with Bitfinex)
- **Blockchain:** Initially on Bitcoin's Omni Layer; now on Ethereum and others
- **Type:** Fiat-collateralized stablecoin
- **Peg:** 1:1 to the U.S. dollar
- **24h Trading Volume:** ~\$60 – 80 billion
- **Significance:** First widely used stablecoin, became the dominant stablecoin for trading and liquidity.



## 2017 – Dai (DAI)

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- **Issuer:** MakerDAO (decentralized protocol)
- **Type:** Crypto-collateralized stablecoin
- **Peg:** U.S. dollar
- **24h Trading Volume:** ~\$150 – 300 million
- **Significance:** First decentralized stablecoin to gain widespread use. Unlike USDT or USDC, Dai is not backed by fiat but by overcollateralized crypto (e.g., ETH, USDC). Its value is maintained through smart contracts.



## 2018 – USD Coin (USDC)

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- **Issuer:** Centre Consortium (by Circle and Coinbase)
- **Type:** Fiat-backed, regulated stablecoin
- **Peg:** U.S. dollar
- **24hr Trading Volume:** ~\$2 – 4 billion
- **Significance:** Known for transparency and compliance, a major competitor to Tether in institutional circles.



## Who are the big players?

As of July 2025, Tether (USDT) and USD Coin (USDC) dominate the market. Tether remains the largest and most widely used stablecoin with a market capitalization exceeding \$160 billion and controlling over 65% of the stablecoin market. It is fiat-backed, primarily by U.S. dollar reserves and operates across multiple blockchains including Ethereum and Solana. USDT is favored for its high liquidity and dominance in global trading volumes, especially in offshore exchanges and emerging markets. Despite past scrutiny over its reserve transparency, Tether has solidified its dominance through aggressive expansion

including investments in real-world assets like agriculture and energy infrastructure. USDC on the other hand is issued by Circle and backed 1:1 by U.S. dollar reserves held in regulated financial institutions. With a market cap of around \$60–65 billion, it is favored by institutions and regulated platforms for its consistent transparency, monthly attestations and compliance with evolving U.S. regulations. The recent public listing of Circle has further enhanced USDC's reputation as the most trusted stablecoin in regulated financial ecosystems.





Beyond USDT and USDC, several smaller projects have carved out niche roles in the stablecoin ecosystem. DAI, a decentralized stablecoin governed by the MakerDAO protocol, is backed by crypto collateral rather than fiat reserves. FRAX is a partially algorithmic, partially collateralized stablecoin aiming for scalability and decentralization. TUSD (TrueUSD) offers full fiat backing with real-time attestations, often used on certain trading platforms. Others like GUSD (Gemini Dollar), USDP (Pax Dollar) and EUR-backed stablecoins such as EURS cater to specific use cases like regulated environments, international remittances, or region-specific needs. While their market caps are smaller, these stablecoins contribute to diversification and innovation in the stablecoin landscape.

The business models behind stablecoins like USDT, USD and DAI center on the management and yield generation of their reserve assets.

Tether (USDT) and USD Coin (USDC) are both fiat-backed and generate substantial revenue from the interest earned on the U.S. Treasury bills and cash equivalents held as collateral. As interest rates have risen in recent years, both Tether and Circle have reported significant profits with Tether alone reportedly making over \$6 billion in net profits in 2024. These returns are not shared with users, making stablecoin issuance a high-margin business. In contrast, DAI operates through the MakerDAO protocol which earns revenue from the stability fees paid by users who mint DAI using overcollateralized crypto assets (such as ETH or USDC) as well as from returns on its treasury portfolio which increasingly includes real-world assets (RWAs) like tokenized government bonds. While decentralized and governed by MKR token holders, Maker has also introduced a more centralized structure called the Endgame Plan to increase revenue resilience and protocol efficiency.



## How Stablecoins are evolving

Stablecoins have undergone a significant evolution, with each phase expanding their functionality and deepening their integration into the broader financial ecosystem. What began as a tool for crypto-to-crypto trading has matured into a versatile digital asset

class used for internal treasury operations, cross-border settlements, and increasingly, institutional-grade financial infrastructure. This progression reflects growing trust, technical innovation and now, clearer regulatory support.



## 1. Cryptocurrency hedging

In their earliest use cases, stablecoins primarily served traders as a hedging mechanism. Rather than converting volatile cryptocurrencies like Bitcoin or Ethereum into fiat which often involved delays, fees, and regulatory hurdles, traders would shift their holdings into stablecoins like USDT or USDC. This enabled instant crypto-to-crypto conversions, preserving capital during downturns and allowing rapid re-entry into the market, all while remaining within blockchain-based platforms.

## 2. Internal clearing and settlement

As the infrastructure matured, stablecoins saw increased usage in internal clearing and settlement processes within large financial institutions. An example is JPMorgan Chase's JPM Coin, a permissioned stablecoin designed for institutional clients. Launched as part of the bank's Kinexys (formerly Onyx) blockchain platform, JPM Coin allows for real-time, blockchain-based settlement of wholesale payments between JPMC clients. Instead of relying on traditional interbank settlement processes that can take hours or even days, JPM Coin enables instant transfers of value, improving liquidity management, reducing counterparty risk and streamlining reconciliation. This represents a shift from retail or speculative use to foundational financial infrastructure.

## 3. Payments

Today, stablecoins are making inroads into consumer payments albeit still within the frameworks of existing financial infrastructure. Some merchants and platforms allow users to fund their purchases with stablecoins, but the actual payment processing is still handled by intermediaries like Visa and Mastercard. These processors convert the stablecoin value into fiat behind the scenes, enabling consumers to benefit from crypto-native features (such as speed, transparency, and borderless transfers) without disrupting the familiar experience of using a debit or credit card. This hybrid approach reflects the current stage of adoption being incremental integration rather than full disruption.

## 4. Agent AI + stablecoins

Looking forward, the most transformative phase lies ahead, as the convergence of Agent AI and stablecoins promises to redefine digital commerce. Agent-based artificial intelligence—autonomous software capable of making decisions, executing transactions, and learning user preferences can interact directly with blockchain networks using stablecoins. In this future model, an AI agent could autonomously search for the best deal on a product, negotiate pricing, initiate a purchase and settle the payment in real time using stablecoins without human intervention. This would eliminate friction from the buying experience and unlock a new paradigm of automated, intelligent, and permissionless commerce, where machines transact on behalf of humans across global markets 24/7.



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What's next  
for Stablecoins?



## Surge in new stablecoin launches

The stablecoin space is rapidly accelerating, driven by demand for programmability, payment efficiency, and institutional integration. In 2025 alone:

- PayPal launched PYUSD with Paxos on Ethereum, enabling instant retail payments and digital commerce across PayPal and Venmo users in the U.S. and select global markets.
- Stripe began pilot testing a native stablecoin to settle transactions within its global checkout APIs, starting with partners like Shopify to streamline cross-border merchant payments.
- The Celo Foundation, in collaboration with the Deutsche Telekom's Blockchain Ecosystem, relaunched its platform with a stablecoin-first model, helping power peer-to-peer payments and community currencies in regions like Kenya and Colombia.
- Telegram, through its TON Foundation, is working with Fireblocks and Wirex to develop a native stablecoin for its in-app wallet, enabling global user payments, gratuity and e-commerce within the Telegram super app.
- In India, blockchain development firms like Zab Technologies, Coinsclone, and Developcoins are building white-label stablecoins for regional clients, supporting use cases like cross-border worker remittances and local SME settlements.
- In Nigeria, fintech unicorn Flutterwave partnered with USDC issuer Circle to enable stablecoin payouts to freelancers and businesses across Africa via 'Send by Flutterwave'.
- In Argentina, amidst persistent inflation, stablecoins like USDT and USDC are used via wallets by over 2 million users for everyday transactions and salary storage.

These deployments show how stablecoins are serving as financial lifelines in volatile or underbanked economies.

## Institutional safeguards and risk controls

Financial institutions are embracing stablecoins while reinforcing compliance and security:

- Revolut uses Chainalysis Reactor and TRM Labs to monitor on-chain transactions, ensuring real-time compliance with UK FCA and EU AMLD5 directives.
- SoFi has adopted Elliptic analytics to manage internal USDC transfers across treasury accounts, aligning with FinCEN guidelines for virtual asset risk management.
- Standard Chartered's Zodia Markets, a digital asset subsidiary, applies TRISA protocols for secure stablecoin transfers between institutional clients, ensuring full compliance with Travel Rule requirements.

These controls are helping financial firms scale stablecoin usage without compromising on regulatory obligations.

These initiatives reflect a broader push by mainstream tech and fintech players to embed stablecoins into everyday consumer platforms.

## Adoption in non-traditional markets

Stablecoins are being adopted in emerging markets where traditional banking infrastructure is limited:

## Remittance innovation and global payments

Stablecoins are revolutionizing cross-border remittances:

- Western Union, in partnership with Ripple, is trialing XRP and USDC-based blockchain settlement in corridors such as Mexico, the Philippines and Thailand, reducing T+3 settlement times to real-time transfers.
- MoneyGram, through its collaboration with the Stellar Development Foundation, enables users in 180+ countries to receive USDC remittances that can be cashed out at MoneyGram agents, especially in unbanked regions across Ghana, Vietnam, and El Salvador.
- In Ukraine, the Ministry of Digital Transformation partnered with Binance and WhiteBIT to distribute humanitarian aid using BUSD and USDT for displaced citizens via local wallets.

These innovations are bringing cheaper, faster and more accessible remittance infrastructure to millions globally.

### Strategic tech partnerships

Collaborations between legacy firms and crypto innovators are embedding stablecoins into existing rails:

- Circle and Fiserv partnered to integrate USDC into Fiserv's merchant and banking infrastructure, allowing companies like Block to enable real-time merchant settlement.
- Mastercard teamed up with Fluency and Consensus to launch FIUSD, a pilot stablecoin for programmable payments

within Mastercard's global payment network across Brazil, Singapore, and the UAE.

- Visa, via its Visa Direct platform, launched stablecoin settlement on Solana in 2025, allowing partners like Worldpay and NuBank to settle cross-border card payments in USDC.

These strategic efforts signal growing interoperability between traditional finance and blockchain-native assets.

### Institutional rollout and interoperability

Large financial infrastructure firms are facilitating cross-chain stablecoin use at scale:

- Fiserv's FIUSD is built for compatibility with stablecoins like USDC and PYUSD, operating on Ethereum and Avalanche. It allows financial institutions like Bank of New York Mellon to conduct instant liquidity transfers across internal accounts.
- Circle's Cross-Chain Transfer Protocol (CCTP) is enabling asset managers like Franklin Templeton to move USDC across blockchains for portfolio rebalancing, while maintaining full auditability.
- In Singapore, the Monetary Authority of Singapore (MAS) is working with DBS Bank, JP Morgan, and Temasek under Project Guardian to test interoperable stablecoin and tokenized asset settlement across public and private chains.

These efforts show how stablecoins are being integrated into institutional-grade finance with a focus on resilience, scalability, and regulatory alignment.





## Real-World Asset (RWA) tokenization

Real-World Asset (RWA) tokenization is the process of representing physical or traditional financial assets, such as bonds, real estate, private credit, etc., on a blockchain. It has developed into a relatively mature and credible use case within the financial sector. Institutional-grade platforms now support the issuance and trading of tokenized RWAs with robust compliance, identity verification, and access controls. Projects from firms like Goldman Sachs (Digital Asset Platform) and Franklin Templeton (Franklin OnChain U.S. Government Money Fund [FOBXX]) demonstrate that the technological and regulatory frameworks for tokenizing RWAs are increasingly robust.

Yet, RWA tokenization lacks a critical component: on-chain clearing and settlement. While tokenized bonds or equities can be issued on-chain, the cash leg of the transaction often relied on off-chain wires or traditional payment rails, which introduced delays, manual reconciliation, and credit risk. The introduction

of regulated stablecoins like USDC, PYUSD, and JP Morgan's JPM Coin, which are backed by real fiat and integrated into institutional systems, has addressed this gap. For instance:

- JPM Coin allows instant settlement of tokenized intraday repos on the Kinexsys (formerly Onyx) platform.
- Circle's USDC is used for real-time treasury transfers and tokenized fund purchases.

This shift enables atomic settlement, where the delivery of the asset and payment occur simultaneously and permanently, bringing the full benefits of blockchain (speed, transparency, finality) into traditionally fragmented financial processes. In this way, stablecoins act as the programmable settlement layer that finally makes RWA tokenization commercially viable and operationally scalable. By solving the cash leg problem, stablecoins effectively complete the infrastructure loop, allowing real-world assets to move natively and frictionlessly across financial ecosystems.





## What are Stablecoins bringing to financial services?

As stablecoins gain regulatory clarity and mainstream traction, their core value proposition becomes clearer when contrasted with traditional payment systems. Across key dimensions such as speed, cost, access,

and transparency, stablecoins present a compelling alternative to legacy infrastructure, offering meaningful improvements for both institutional and retail users.



## Speed and settlement finality

Stablecoins offer near-instantaneous settlement on blockchain networks, operating 24/7 without cut-off times, weekends, or holidays. In contrast, traditional payments, especially cross-border transfers, are often slowed by intermediaries, batch processing and time zone dependencies. Domestic bank transfers may take hours or a full business day while international wires can take multiple days and involve several banking networks. Stablecoins dramatically reduce this friction enabling real-time payments and programmable settlement logic.

## Cost efficiency

Traditional payments can be costly due to intermediary fees, foreign exchange (FX) spreads, and processing charges. For example:

- Credit card transactions carry merchant fees typically between 1.5–3%.
- International wire transfers incur flat fees and unfavorable exchange rates.

Stablecoins reduce these costs by removing middlemen and relying on decentralized or permissioned infrastructure. While transaction fees on public blockchains (e.g., Ethereum, Solana) vary, they are often lower than legacy systems when scaled appropriately.

## Access and inclusion

Stablecoins are borderless and accessible to anyone with a smartphone and Internet connection. This provides an advantage in underbanked regions, where access to traditional banking is limited. They enable dollar-based remittances, microtransactions and cross-border commerce with far fewer barriers. In contrast, traditional payments

require established financial relationships, KYC onboarding, and centralized account structures, obstacles for millions worldwide.

## Transparency and auditability

Stablecoin transactions executed on public blockchains are transparent and can be audited in real time, enhancing traceability and reducing settlement risk. Traditional payment systems rely on private ledgers maintained by banks and processors which are not easily accessible for independent verification. Reconciliations can take days, introducing inefficiencies and opacity, especially in cross-institutional transactions.





## Regulation

In July 2025, the U.S. House of Representatives passed three landmark pieces of crypto legislation: the GENIUS Act (Guiding and Establishing National Innovation for U.S. Stablecoins Act), the CLARITY Act, and the Anti-CBDC Surveillance State Act. Together,

these bills mark the most significant federal movement on digital assets to date, laying the foundation for a clearer regulatory environment around stablecoins, deposit coins, and the broader crypto market structure.



## GENIUS Act

The GENIUS Act establishes a comprehensive federal framework for payment stablecoins, mandating all issuers to maintain 1:1 backing in high-quality liquid assets (e.g., U.S. dollars, Treasuries). Issuers must obtain approval from either the Federal Reserve, Office of the Comptroller of the Currency (OCC) or Federal Deposit Insurance Corporation (FDIC) and be subject to the Bank Secrecy Act, regular audits, and disclosure requirements.

The Act differentiates clearly between:

- **Stablecoins:** Issued by non-banks (e.g., Circle, Paxos, PayPal), now regulated under this new federal regime.
- **Deposit coins:** Issued by regulated commercial banks (e.g., JPMorgan's JPM Coin), treated as digital representations of insured bank deposits and governed by traditional bank regulatory frameworks.

Additionally, the GENIUS Act prohibits interest-bearing stablecoins issued by non-banks. This move is intended to prevent stablecoins from competing directly with banking products like savings accounts or money market funds. Only regulated banks may offer yield-bearing digital products thereby ring-fencing monetary policy and enabling greater consumer protection.

## CLARITY Act (Crypto Market Structure Bill)

The CLARITY Act addresses one of the most pressing issues in U.S. crypto regulation: determining whether digital assets are securities (see the [Howey Test](#)) or commodities (tradable goods or assets that have intrinsic market-based value not reliant on a single enterprise's performance). The bill introduces a framework that defines when a crypto

asset transitions from being a security to a commodity, depending on network decentralization and functionality.

### Key implications include:

- Granting Commodity Futures Trading Commission (CFTC) oversight over most decentralized tokens and cryptocurrencies once they reach sufficient maturity.
- Keeping SEC authority over token issuance and centralized projects during early fundraising phases (e.g., Initial Coin Offerings).
- Providing formal recognition of utility tokens, governance tokens and stablecoins as a distinct asset class, separate from speculative crypto securities.

While the CLARITY Act does not directly regulate stablecoins (covered by the GENIUS Act), it helps resolve jurisdictional confusion that has slowed stablecoin innovation. It also reinforces that interest-bearing tokens, unless issued by a licensed bank or registered fund, could be deemed securities under SEC oversight.







## Anti-CBDC Surveillance State Act

This bill prohibits the Federal Reserve from issuing a U.S. Central Bank Digital Currency (CBDC) directly to the public. The concern is that a retail CBDC could enable excessive government surveillance, programmable control over money or displacement of commercial banks.

### Key implications include:

- Confirming the U.S. will not pursue a retail digital dollar in the near term.
- Shifting responsibility for digital dollar innovation to the private sector, particularly to regulated stablecoin issuers under the GENIUS framework.
- Bolstering the role of deposit coins and regulated stablecoins as the practical alternative to a CBDC for digital payments.

**Table 2:** Summary of Key Stablecoin Legislation

| <br><b>Legislation</b> | <br><b>Focus</b> | <br><b>Key Provisions</b> | <br><b>Impact on Stablecoins</b> |
|---|---|--|---|
| GENIUS Act  | Stablecoin regulation   | Licenses non-bank issuers; prohibits interest bearing stablecoins; distinguishes deposit coins               | Establishes federal framework; blocks yield-bearing tokens unless bank-issued   |
| CLARITY Act   | Crypto asset classification   | Defines when assets are securities v commodities; assigns SEC/CFTC roles                                     | Clears jurisdictional confusion; interest-bearing stablecoins may be regulated as securities                          |
| Anti-CBDC Act   | Digital dollar policy   | Bans Fed from issuing retail CBDC  | Elevates role of private stablecoins and deposit coins in the digital dollar space                                    |





## Are Deposit Tokens the endgame for Stablecoins?

Stablecoins have served as an important proof of concept, but they are not the final answer. Their recent growth has validated the core proposition that fiat-backed, Internet-native money has real utility, from crypto trading and global remittances to on-chain treasury and settlement. The passage of the GENIUS Act confirms a growing global demand for digital cash that moves instantly. But it also reveals how far traditional finance has

lagged particularly in delivering a regulated alternative. Stablecoins have temporarily filled that gap.

The future lies not in stablecoins or Central Bank Digital Currencies (CBDCs), but in deposit tokens: a scalable, compliant, and interoperable form of digital money issued by regulated commercial banks.





## Why Deposit Tokens make sense

Unlike CBDCs, which introduced a central bank-run public money system with potential risks to privacy, disintermediation and innovation, deposit tokens build on what already works - the commercial banking system. They are simply tokenized bank deposits, subject to the same capital, liquidity and regulatory standards, and often FDIC-insured.

While deposit tokens themselves are not yet formally regulated, the underlying banking infrastructure and risk models are well established. The technology is already proven in real-world use cases. Projects like JPMorgan's JPMD and Citi's Regulated Liability

Network (RLN) deposit token prove that major banks can issue digital money that:

- Settles instantly
- Operates within compliance frameworks
- Integrates directly into capital markets infrastructure

As Real-World Asset (RWA) tokenization accelerates across bonds, funds and trade finance, the need for a native cash settlement layer with true finality becomes critical. Stablecoins helped test the rails. Deposit tokens are the industrial-grade rails.





## Why CBDCs fall short

CBDCs may work for specific wholesale scenarios or cross-border experiments, but they risk:

- Duplicating infrastructure
- Concentrating power in central banks
- Bypassing commercial banks

Conversely, deposit tokens integrate directly into existing financial and operational models, making them a better fit for tokenized finance at scale. Stablecoins proved there is demand for programmable money. Deposit tokens are how that demand will be met securely, compliantly and on an institutional scale.

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