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GLOBAL STABLECOIN REGULATORY PLAYBOOK

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FOREWORD

Foreword



Lawrence Wintermeyer
GDF Members Board Chair

The past two years have seen stablecoins increasingly scale across the financial services ecosystem with use cases spanning payment systems, capital markets, and DeFi. As with any new technology or emerging sector it is not unexpected that national level frameworks will diverge as they consider jurisdictional specific priorities and adjust according to geopolitical influences. However, the absence of global harmonisation can also create operational friction, compliance uncertainty, and barriers to cross-border scaling, particularly for assets such as stablecoins which find their most powerful use cases as cross-border by nature.

This Playbook has been developed in response to growing global consensus that stablecoins must be regulated with clarity, credibility, and proportionality. It recognises the need for policy frameworks that are fit-for-purpose, internationally compatible, and capable of managing risks while enabling innovation. Just as the functions of stablecoins cross borders, so too must the regulatory logic underpinning their oversight.

Importantly, this Playbook does not attempt to catalogue every stablecoin use case or prescribe a one-size-fits-all regime. Instead, it takes a first-principles approach to establishing shared

terminology, foundational concepts, and outcome-oriented principles for stablecoin issuer regulation. These concepts, such as “high-quality liquid assets,” “redemption rights,” and “fully backed at par” are too often used inconsistently across jurisdictions, impeding supervisory alignment and industry compliance. A shared conceptual language is a prerequisite for mutual recognition and regulatory trust.

Stablecoins also represent a broader strategic and economic opportunity. Jurisdictions that establish credible and forward-looking regulatory regimes stand to benefit from improved financial stability, enhanced monetary sovereignty, and greater competitiveness in digital finance. This will also lead to benefits in terms of the productivity and competitiveness of firms and the real economy. Robust oversight of reserve backing and redemption rights can reduce systemic risk and foster user trust, while also attracting investment and anchoring demand for domestic currencies and government debt. Stablecoin adoption can also drive innovation in payments and settlement systems, lowering transaction costs, enabling atomic transfers, and supporting the overall evolution of the financial services ecosystem.

By grounding regulatory discussions in common principles and flexible building blocks, this Playbook aims to support regulators and policymakers in tailoring domestic regimes without losing sight of the global context. It offers a functional baseline from which jurisdictions can construct credible issuer regimes that are locally appropriate and globally interoperable. Ultimately, it seeks to lay the groundwork for scalable, trusted, and inclusive adoption of stablecoins across markets. ■

EXECUTIVE SUMMARY



A. The Strategic Importance of Stablecoins & Purpose of the Playbook

Stablecoins represent a strategic and economic opportunity for governments globally. As programmable, low-friction, and globally accessible digital assets, fiat-backed stablecoins have the potential to reshape the infrastructure of payments, enhance financial inclusion, and reinforce monetary sovereignty in an increasingly digitised economy.

At the macroeconomic level, well-regulated stablecoins can also deliver fiscal and monetary benefits. Issuers tend to be large, long-term holders of sovereign debt instruments, increasing demand for high-quality government securities. Stablecoin usage also creates additional demand for national currencies, reinforcing their utility and relevance in both domestic and cross-border contexts.

In this context, the regulatory choices made today will shape the long-term trajectory of digital finance. A consistent, scalable, and globally interoperable approach to stablecoin oversight is therefore not only a matter of financial stability and risk mitigation, but of strategic policy and economic leadership.

The purpose of the Playbook is twofold. First, it seeks to establish a set of shared concepts and common definitions, including the meaning of terms such as “stablecoin”, “high-quality liquid asset (HQLA)-equivalent”, and “redemption” or “conversion”, which form the conceptual bedrock of international cooperation and regulatory recognition. These terms are too often used inconsistently across jurisdictions, creating avoidable confusion

in classification, oversight, and enforcement. By grounding policy discussions in a mutually agreed vocabulary, the Playbook aims to unlock greater alignment and trust between regulators and issuers alike.

Second, the Playbook aims to transcend jurisdiction-specific nuances by focusing on first principles. It aims to offer a functional baseline for understanding the key risks and outcomes that a stablecoin regime should address. In doing so, it seeks to support regulators in tailoring their approaches in a manner consistent with domestic policy goals, while still supporting global compatibility as well as fostering innovation in payments. This principles-based approach is designed to support future equivalence and reciprocity assessments between regulatory regimes, ultimately fostering a more cohesive and innovation-enabling global environment for stablecoin issuance and adoption. Clear and coherent regimes enhance a jurisdiction’s global competitiveness, positioning it as a hub for responsible innovation, investment, and infrastructure development.

It is important to note that this Playbook is focused on the regulatory treatment of stablecoin issuers, not the broader universe of stablecoins and their varying use cases as financial products. The Playbook also does not aim to categorise, define, or propose regulatory treatment for the broader universe of digital assets such as tokenised deposits or e-money. While stablecoins can serve multiple functions, ranging from retail payment instruments to settlement assets in financial market infrastructure, an analysis of use cases (or how those use cases

might be regulated) falls outside the primary scope of this Playbook.

This Playbook is intended as a baseline for dialogue and to act as a shared reference point from which regulators, policymakers, and industry stakeholders can work toward greater consistency and coherence in the global regulatory landscape for stablecoins. It is designed to support multiple regulatory use cases including as a foundation for bilateral or multilateral regulatory recognition, an initial benchmark for emerging market jurisdictions building new frameworks, or to provide technical input into global standard-setting discussions led by bodies such as the FSB, IOSCO, and the G20. By grounding future engagement in shared principles and practical comparisons, the Playbook aims to facilitate trust-based regulatory cooperation and contribute to a more resilient, inclusive, and innovation-ready digital asset ecosystem.

B. Key Principles for a Stablecoin Issuer Regime

This Playbook identifies the principles that define a fit-for-purpose regulatory environment for stablecoin issuers. It has been developed by issuers and grounded in their experiences across jurisdictions. Fragmented or overly bespoke requirements can deter market entry, distort competition, and inhibit cross-border coordination, particularly for global issuers seeking consistent treatment of reserves, redemption rights, and disclosures.

The following principles are addressed in detail:

- **Legal Classification and Taxonomy** –

Establishing a common language for distinguishing between fiat-backed, crypto-collateralised, and algorithmic stablecoins, and clarifying the regulatory perimeter across payments, banking, and securities law.

- **Reserve Asset Composition** – Setting

quantitative and qualitative standards for asset eligibility, liquidity, diversification, and transparency to ensure stablecoins are reliably backed and redeemable.

- **Custody** – Articulating requirements for the

safekeeping of reserves, including segregation, bankruptcy remoteness, and oversight of custodians.

- **Disclosures, Attestations, and Consumer Protection** –

Defining minimum transparency and independent third-party review requirements and ensuring users understand redemption terms and legal protections.

- **Risk Mitigation and Prudential Requirements** –

Identifying appropriate capital, governance, and operational risk safeguards that scale with issuer size and systemic relevance.

- **Redemption Models** –

Clarifying how and when users can redeem stablecoins, including stress scenarios and wind-down procedures.

- **AML/CFT Compliance** –

Aligning with FATF standards on anti-money laundering and counter-terrorist financing, with proportionate application to institutional and retail use cases.

- **Rewards, Yield, and Economic Benefits** –

Addressing how reward or yield features should be treated, disclosed, and regulated to avoid mis-selling or shadow-banking risks.

- **International Market Dynamics** –

Exploring how jurisdictions can realise the benefits of globally fungible stablecoins (for example in terms of cheaper cross-border payments) whilst also protecting local users, for example through reciprocity mechanisms based on common international standards and supervisory cooperation.

In addition to these core principles, stablecoin issuer regimes should recognise that some globally circulating stablecoins are issued through multi-jurisdictional networks, where several licensed entities in different regulatory frameworks issue a token of the same denomination under comparable reserve, redemption, and disclosure standards. Supervisory expectations should therefore assess both the entity and the issuer-network (where applicable) to ensure consistent protection of users regardless of jurisdiction of issuance.

Taken together, these principles provide a blueprint for developing stablecoin issuer frameworks that are scalable, safe, and aligned with global standards. Overall, the Playbook seeks to inform the design of stablecoin issuer regimes that are not only locally grounded, but also globally compatible, laying the groundwork for a more collaborative, resilient, and inclusive digital financial system.

C. Regulatory Context and Global Alignment

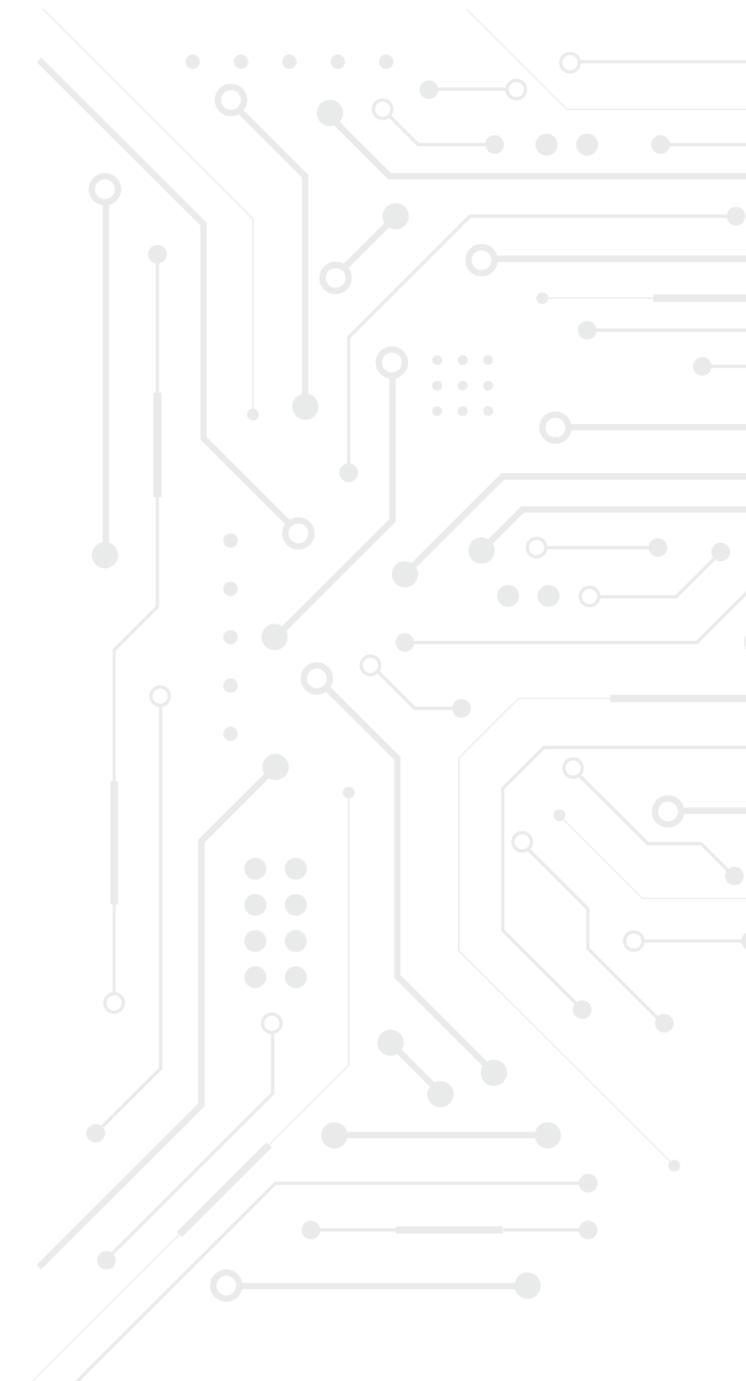
This Playbook is not intended to duplicate existing regulatory regimes, but to build upon them. A growing number of jurisdictions, including the United States, European Union, United Kingdom, Singapore, and the United Arab Emirates, have already advanced regulatory frameworks or proposals for fiat-backed stablecoins (see Figure 1). While differing in structure and scope, these frameworks share an overarching objective: to ensure stablecoins are safe, transparent, and effectively supervised.

Of these, we would highlight in particular the frameworks advanced by the United States and the European Union with the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act), and evolving rulemaking in the United States, as well as through the Markets in Crypto-Assets (MiCA) Regulation in the EU. Singapore and the UAE have also both published regulatory guidance and licensing frameworks that draw on existing financial laws, while the United Kingdom has published legislation to expand the financial services regulatory framework to incorporate new digital asset activities (including stablecoin issuance) within the regulatory perimeter, while in parallel developing the rules applicable to systemic stablecoin payment systems. These regimes all offer important precedents and policy logic that can inform other jurisdictions, while also providing useful points of reference for comparative alignment.

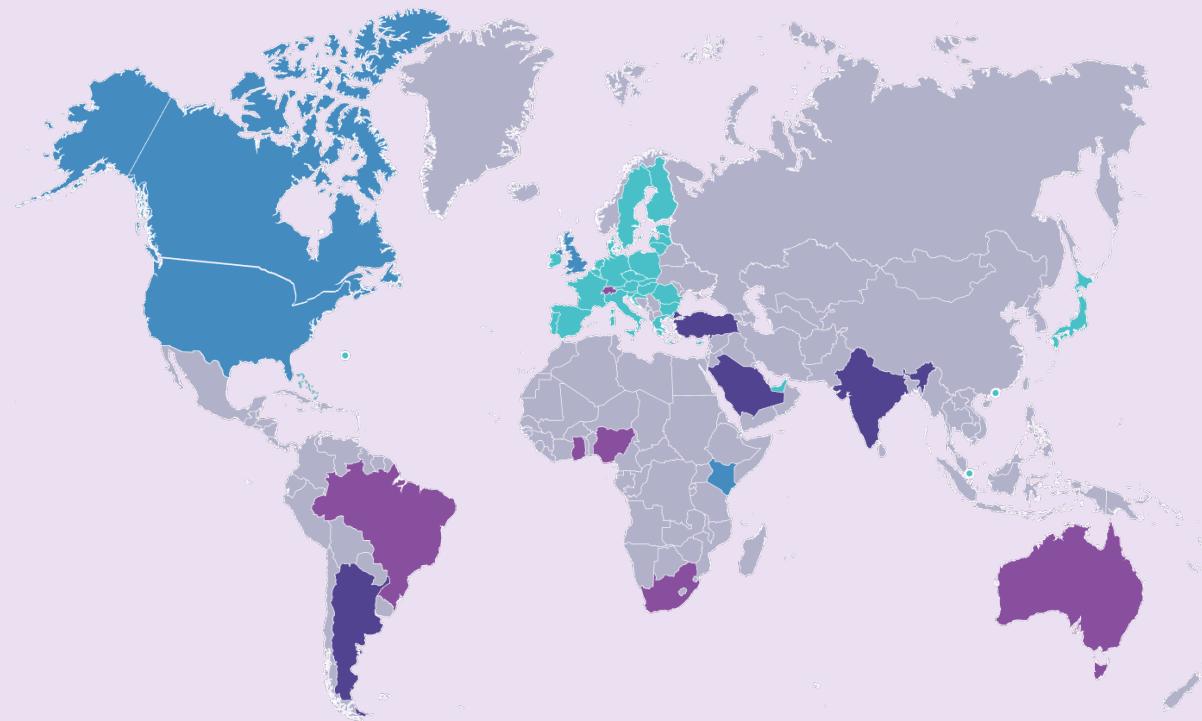
Despite growing convergence around certain core features, such as full 1:1 backing, redemption at par, and clear issuer accountability, significant divergence remains in legal classification, terminology, scope, and implementation timelines. This fragmentation poses operational challenges for global issuers, increases compliance costs, and risks undercutting the potential of stablecoins to deliver cross-border benefits such as frictionless payments, programmable money, and financial access and inclusion.

A key contributor to this fragmentation is the absence of a common conceptual baseline. Terms like “stablecoin,” “e-money,” “digital token,” and “HQLA” are often interpreted differently across jurisdictions, leading to inconsistent classification and oversight. Just as global banking regimes agree on the substance of what constitutes a “deposit-taking institution” even if local legal definitions vary, stablecoin regimes must develop a similarly harmonised understanding of key concepts and functions. Without this, mutual recognition and regulatory interoperability will remain out of reach.

To support this goal, the Playbook maps areas of substantive convergence across major jurisdictions, such as reserve composition, prudential safeguards, and redemption rights, while also identifying divergence points and open questions. It also aims to support the development of viable equivalence and mutual recognition frameworks. These frameworks are critical to enabling stablecoins to operate safely and efficiently across borders, and to reduce duplicative or incompatible compliance burdens for global issuers.



For further details, Annex 1 also references other jurisdictional frameworks and maps their development more widely. In Chapters 1-9, which set out the key principles, the Playbook also includes some reference notes as to where these principles sit with regards existing frameworks where relevant. ■



■ Regime Finalised

EU, Bermuda, The Bahamas, Japan, Singapore, Hong Kong, UAE, ADGM, DIFC

■ Framework Published, Rulemaking Ongoing

United States, Canada, Kenya, UK

■ Regime Under Development or Review

Switzerland, South Africa, Australia, Nigeria, Brazil

■ No Stablecoin Regulatory Framework

Argentina, Ghana, Turkey, India, Saudi Arabia

CHAPTER 1

LEGAL CLASSIFICATION

& TAXONOMY

Start with Shared Definitions



A common regulatory vocabulary is the foundation of interoperability and reciprocity.

Stablecoins, tokenised deposits and e-money represent three distinct models of digital currency, each grounded in different legal and prudential foundations. These structural differences determine the applicable regulatory regimes and the different roles each instrument plays in digital finance and payments.

● **Tokenised deposits** are simply traditional bank deposits represented in token form; they may remain fractional reserve-backed, represent a liability of the issuing bank as a customer deposit, and benefit from deposit protection schemes. These tokens must remain within the bank's platform to be considered a "deposit".

● **Tokenised e-money**, is a pre-paid, safeguarded funds model: users hold a claim on the issuer backed by segregated customer funds, but not by the issuer's general balance sheet. The issuer is not free to use the money as it pleases, and it does not create credit or pay interest. E-money can be tokenised, and from a regulatory perspective, the extent to which tokenised e-money may or may not be regarded as a stablecoin tends to be jurisdictionally specific. Indeed, in many jurisdictions, 'payment stablecoins' and 'tokenised e-money' represent similar regulatory outcomes: a fully backed, non-yielding, par-redeemable digital representation of fiat safeguarded under payments or e-money law. Terminology varies, but the functional and prudential expectations converge. Unlike stablecoins, e-money involves a bilateral relationship between user and issuer; the e-money is not used independently of the issuer.

● **Stablecoins** are tokens that can be used independently of the issuer and are transferrable peer-to-peer, often seen as a digital form of physical cash. They are fully collateralised digital tokens, referencing one or more fiat currencies. They also typically offer par-value redemption. They function as a digital bearer instrument, rather than a bank liability or pre-paid e-money balance.

1.1. Common Definitions

Expanding on the broad definition of stablecoins above, we can further break this down into three sub-categories of fiat-referenced stablecoins (as opposed to tokens that reference other assets, albeit with an intention to maintain a stable value).

A. Fiat-Referenced or Fiat-Backed Stablecoins

- Digital currency tokens that maintain a stable value by reference to one or more fiat currencies (typically 1:1 pegged).¹
- Fully reserve-backed by segregated reserve assets (including but not limited to cash deposits at commercial or central banks, short-term government debt, other high quality liquid assets, and reverse repurchase agreements) held in custody.
- Subject to redemption at par.
- **Examples:** USDT, USDC, PYUSD, EURC, and USDG.

B. Crypto-Collateralised Stablecoins

- Backed by digital assets or tokenised collateral, overcollateralised to absorb volatility.

- Maintain peg through automated collateral liquidation or issuance controls (e.g. MakerDAO's DAI). Regulatory treatment: typically falls outside fiat-based payment regulation; instead considered cryptoasset or commodity instruments, depending on jurisdiction, and potentially subject to general AML and consumer protection rules.
- **Examples:** DAI, sUSD, and LUSD.

C. Algorithmic or Uncollateralised Tokens

- Seek price stability through supply-demand algorithms and incentive mechanisms rather than explicit collateral.
- While commonly referred to as stablecoins, we have not included them in the scope of the definition of stablecoins in this paper.
- **Examples:** Ethena's USDe

This playbook focuses on the regulation of fiat-backed stablecoins. Given their risk profiles, crypto-collateralised, algorithmic and uncollateralised stablecoins are generally regulated differently, typically as investment products or higher-risk cryptoassets.

¹Note that while it is in theory possible for a stablecoin to reference a basket of fiat currencies - and this potential to reference 'one or more fiat currencies' is embedded in many regulatory definitions of stablecoins - the prevailing practice at present is for fiat-referenced stablecoins to reference a single currency (Libra being a notable exception in its original conceived form, although it was never launched). As the stablecoin landscape develops, we may see more of these basket-referenced stablecoins emerging.

1.2. A Recommended Taxonomy for Regulated Stablecoins (Risk-Based)

A globally coherent taxonomy for regulated stablecoins should classify stablecoins by their risk profile, rather than by function, use cases, issuer type or technology stack.

Principle: same risk, same regulatory outcome.

Classification should depend on:

- Nature of the claim (right to redeem at par vs investment exposure).
- Backing assets and degree of segregation or rehypothecation.

Policy implication: Jurisdictions should draw a bright line between stablecoins which are backed 1:1 and redeemable at par, and other types of digital tokens that generate yield for holders, are structured as pooled investment instruments and / or are economically equivalent to money market funds or securities. The latter do not meet the definition of a stablecoin and should not be marketed or regulated as “stablecoins”.

Additionally, where applicable, regulatory frameworks should explicitly permit the use of stablecoins for payments and settlement (both in retail and wholesale contexts) and should clearly

establish that stablecoins would not be subject to the regulatory treatment of a security or any other kind of investment instrument.

This proposed framework recognises four distinct categories of value-referenced tokens, distinguished by underlying backing, product design, and claim structure.

Category	Backing & Risk Profile	Regulatory Approach
Stablecoins	Fully reserve-backed 1:1 with fiat or high-quality liquid assets (HQLA); minimal credit or market risk.	Dedicated Stablecoin specific rules, building on elements of existing payments and e-money regimes; AML/CFT, redemption, and disclosure requirements (e.g., MiCA EMTs).
Crypto-Collateralised & Algorithmic Tokens	Backed by volatile digital assets or dynamic mechanisms; exposed to market, liquidity and governance risk; may fail to maintain peg under stress.	May be treated as unbacked cryptoassets or commodities, with jurisdictional specificities (for example, crypto backed stablecoins may constitute asset referenced tokens (ARTs) under MiCA); subject to general AML / CFT, market conduct, and disclosure standards rather than payment regulation.
Yield Tokens (comparator)	Backed by investment instruments; subject to market, duration, and liquidity risk. Potentially floating market value based on yield profile, rather than stable 1:1 price.	Classified as financial instruments or (e.g., units in collective investment schemes) rather than stablecoins; regulated under securities or fund law (e.g., EU's MiFID).
Tokenised Deposits (comparator)	Treated as a deposit (i.e., fractionally reserve-backed; holder takes credit risk on the issuing bank.)	Prudential banking supervision.

1.3 Defining Systemic vs Non-Systemic Stablecoins

While we further explore the distinction between systemic and non-systemic stablecoins in section 5.3 Proportionality and Systemic Differentiation - as well as core principles for regulation - in this section we define these concepts at a high level:

- **Systemic stablecoins** are stablecoins whose scale, user base, interconnectedness, or role in payments and financial markets is sufficiently large that disruption to their operations could pose risks to financial stability, market functioning, or monetary sovereignty on a system-wide scale. Systemic designation typically reflects factors such as transaction volume, outstanding supply, embeddedness in payment chains or reliance by financial institutions.
 - Standards for systemic status should be clearly defined so that issuers can prepare for any shift in regulatory treatment.
- **Non-systemic stablecoins** are smaller-scale instruments (though they may still be used at fairly significant scale both domestically and across multiple jurisdictions), where disruptions would be unlikely to threaten broader market integrity or financial stability. ■

CHAPTER 2

RESERVE ASSET COMPOSITION



Back Stablecoins with Verifiable, High-Quality Assets

Standards for permissible reserve assets should address volatility and liquidity risks as they relate to the ability for issuers to use reserve assets to fulfil redemption requests (and, indirectly, to maintain market confidence and value on the secondary market).



**Full, liquid, and transparent
reserve backing** is non-
negotiable for trust and stability.

2.1 Standards for Permissible Reserve Assets

A. Core Principles

- Reserves should be held 1:1 in high-quality, low-risk, liquid assets (HQLA) to preserve stability, liquidity, and confidence.
- Permissible HQLA should be primarily cash, cash-equivalent or cash-like liquidity and risk profile, prioritising stability and liquidity over yield; notwithstanding this principle, any permissible HQLA should be capable of providing yield to stablecoin issuers, thus supporting commercial viability of issuer business models.
- Permissible HQLA may include:
 - Cash and on-demand deposits at commercial banks / credit institutions and e-money issuers.
 - Deposits can be interest-bearing and ringfenced.
 - Exposure should be diversified across multiple institutions to mitigate concentration risk.

- Central bank deposits where access is available.
 - Represents highest standard of safety and liquidity.
 - Desirable but not essential for all issuers - proportional access models should apply, with large-scale / systemic issuers being prioritised.
 - Deposits should be remunerated to provide issuers with access to a safe liquid asset on terms which are beneficial to a stablecoin issuers business model and ensure a level playing field between stablecoin issuers and other financial institutions.
 - May also be linked to provision of central bank liquidity lines.
- Short-term government debt (typically ≤ 1 year maturity, ideally ≤ 6 months maturity).
 - Provides low-risk, liquid yield while maintaining market value stability.
 - Consistent with international HQLA definitions (e.g. Basel LCR Level 1 assets).
- Reverse repos or government money market funds (MMFs) fully collateralised by sovereign or central bank instruments (typically ≤ 6 months maturity).
 - Support intraday liquidity management and operational efficiency.
- Exclusions / Limitations - any regime should prohibit:
 - Exposure to corporate debt, equities, or unsecured lending.
 - Use of structured, synthetic, or leveraged instruments.
 - Staking or rehypothecation of reserves inconsistent with prudential and operational risk principles.

2.2 Proportionality, Full Backing and Diversification

- Maintenance of at least full (1:1) backing, at all times, should remain the standard, but the composition and operationalisation of that backing should be proportionate to the issuer's scale, systemic footprint, and redemption model.
- Liquidity metrics must be calibrated to redemption and conversion risk: stablecoin regimes should require that a defined proportion of backing assets or accessible instruments are available for redemption on short notice (e.g., daily or weekly maturities) and that the remainder meets specified liquidity gradations.
- Reserve investments and maturity profiles must avoid undue concentration, excessive interest rate or mark-to-market risk, and should prioritise HQLA or equivalents where possible.
- *Diversification principle:*
 - No single counterparty exposure exceeding prudent thresholds. Notwithstanding, frameworks should take into consideration the availability of commercial banks with appropriate creditworthiness for the purposes of safeguarding reserve assets.

- Geographic and currency diversification should be permitted only to the extent that it does not create material currency or jurisdictional risk relative to the stablecoin's reference currency.

- *Operational proportionality:*

- Smaller or retail-focused issuers should not be forced into complex institutional arrangements (e.g. direct central bank accounts). Equally, such issuers should not necessarily be prohibited from being granted access to central bank reserve accounts.
- Frameworks should accommodate trust-based safeguarding models or third-party custodians. ■

CHAPTER 3

CUSTODY

Segregate, Safeguard, and Ring-Fence

A core function of any stablecoin framework is ensuring the safekeeping of reserve assets and user funds. Both MiCA and the GENIUS Act explicitly require that issuers implement robust custody arrangements to protect the backing assets that support a stablecoin's value. These arrangements are critical to preserving redemption rights, maintaining systemic confidence, and preventing misuse or commingling of funds.



Reserves and user assets must be protected through **robust custody and bankruptcy remoteness**.

Core Principles:

- Custody of reserves must be entrusted to regulated and prudentially supervised financial institutions such as banks, central securities depositories (CSDs), other licensed custodians, or licensed trust companies or payment institutions operating under statutory safeguarding obligations and subject to equivalent prudential and conduct oversight.
- Custodians must demonstrate adequate capitalisation, risk management, and internal controls commensurate with the scale and nature of the assets held.
- Custody arrangements should include clear procedures for daily reconciliation, monitoring of asset quality, and reporting of discrepancies.
- Reserve assets must be subject to regular third-party attestations, with results disclosed to regulators and the public at defined intervals.

3.1 Segregation of Funds and Bankruptcy Remoteness

To protect users in the event of an issuer's insolvency, custodial arrangements should ensure segregation of reserves from the issuer's own balance sheet. Both MiCA and the GENIUS Act mandate structures that ensure bankruptcy remoteness (i.e., user and reserve assets are not part of the issuer's estate and cannot be claimed by other creditors.)

Core Principles:

- **Legal ownership of reserve assets must be clearly defined**, with documentation specifying that such assets are held in trust or equivalent structures for the benefit of stablecoin holders.
- **Segregated accounts** must be maintained, with no commingling between reserves, operational capital, or other client funds.
- Jurisdictions should require **statutory or contractual ringfencing mechanisms**, such as trust structures, fiduciary obligations, or escrow arrangements, depending on local legal frameworks.

3.2 Standards for Custodian

The credibility and robustness of a stablecoin regime also rests significantly on the quality and oversight of entities acting as custodians. As such, regulatory frameworks must include baseline standards for which entities may provide custody services for stablecoin reserves. As best practice, issuers should use appropriately regulated custodians. The principles set out below are in line with existing regulatory requirements for custody.

Core Principles:

- Custodians must be subject to licensing and ongoing supervision by a competent authority in a jurisdiction with equivalent AML/CFT, prudential, and conduct standards.

- Custodians should meet minimum capital and liquidity requirements, aligned with their risk exposure and custody volumes.
- Custodians must meet appropriate record keeping requirements, and requirements to ensure safeguarded funds are protected from the moment they are received.
- Regulators should have direct access to custody audit trails, reconciliation reports, and breach notifications to facilitate oversight and incident response.

These principles mirror the GENIUS Act Section 10, which specifies that reserve assets must be held at qualified custodians under strict segregation rules, and that those custodians must be regulated, capable of executing redemption instructions, and able to comply with appropriate internal controls, audits, and examinations. MiCA similarly mandates that e-money token issuers ensure safe and segregated asset custody and restricts custody to appropriately authorised institutions. ■

CHAPTER 4

DISCLOSURES AND

ATTESTATIONS



Transparency Is the First Line of Protection

Overall, disclosure requirements for stablecoin issuers should aim to foster user understanding and trust. A well-calibrated disclosure regime helps users understand the nature and risks of the stablecoin, including its backing, redemption rights, and operational safeguards. Clear, regular, and independently verified disclosures enable users and regulators to verify reserve quality, assess issuer credibility, and understand what protections apply under both normal and stress conditions. They also reduce the risk of consumer confusion by ensuring that stablecoins are not marketed as deposit accounts or investment products unless subject to equivalent regulation. A consistent information framework is foundational for interoperability, cross-border recognition, and the long-term resilience of stablecoin ecosystems.



Clear, consistent disclosures and independent attestations underpin user confidence.

4.1 Core Disclosure Standards

A fit-for-purpose stablecoin issuer regime should require issuers to deliver transparent, regular and comparable disclosures of the key features, risks and operations of the stablecoin.

Core Principles:

- Issuers should publicly disclose the composition, liquidity and valuation methodology of the reserves backing the stablecoin at an aggregate level (e.g. absent names of counterparties to mitigate transmission risks, without prejudice to further details that may be required to be reported on a confidential basis to regulators). (GENIUS Act: monthly public disclosure of reserve composition.)
- Issuers should publish a clear statement of the redemption or conversion rights available to token-holders: mechanics, eligible counterparties, timeframe, fees and any operational limitations. See section 6 on redemption below. (MiCA: white paper must include redemption rights and stabilisation mechanism for EMT, GENIUS Act also has a similar requirement)
- Issuers should provide governance disclosures, including details of the management body, risk policies, reserve investment policy, custody arrangements, conflicts of interest and operational governance frameworks. (MiCA: white paper content)

- Marketing and promotional materials must align with the disclosed terms, avoid misleading statements (for example implying government guarantee or deposit-insurance status), and must be understandable to non-technical users. (GENIUS Act: prohibition on mis-representing stablecoin as government-guaranteed)

- For stablecoins issued across multiple jurisdictions by different regulated entities, disclosures should clearly distinguish issuer-level information.

4.2 Attestation and Frequency

Ensuring credibility of disclosures requires independent verification and timely dissemination:

- Issuers should engage a qualified independent auditor or public accounting firm to examine and attest to reserve data periodically (e.g., monthly or quarterly). (GENIUS: monthly report examined by registered public accounting firm)
- Issuers should provide disclosures at regular intervals (e.g., monthly for reserve composition, annually for audited financials for larger issuers) and on occurrence of material changes (material changes to reserve policy, redemption mechanics, governance changes).

Disclosures should be in a publicly accessible format, sufficiently detailed for stakeholders (investors, users, regulators) to assess the backing, rights and risks, and must remain available or archived for retrospective review. ■

CHAPTER 5

RISK MITIGATION AND

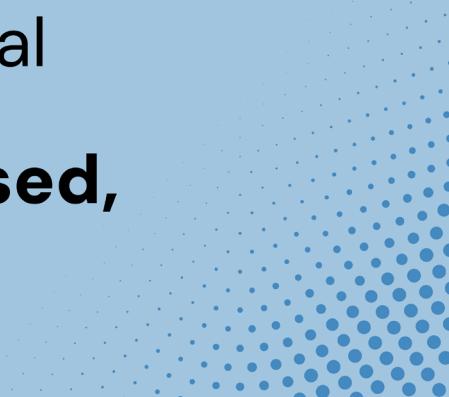
PRUDENTIAL REQUIREMENTS



Scale Safeguards with Risk and Systemic Importance



Prudential and operational requirements should be **proportionate, risk-based, and forward-looking**.



5.1 Core Prudential Buffers and Liquidity Metrics

A fit-for-purpose stablecoin regime must ensure that issuers maintain resilience beyond the nominal reserve backing of tokens. This means establishing tangible capital cushions and liquidity frameworks that can absorb shocks, support redemption flows, and preserve confidence in stressed conditions.

Core Principles:

- Issuers should hold own-funds or capital buffers to reflect operational risks and issuer complexity. These buffers should not be substituted for backing reserves and should not address risks that are already addressed by backing reserves. They should serve only as additional loss-absorbing layers to address additional operational risks and wind-down costs not otherwise addressed by the backing assets.
- Buffers should be usable, in other words they should be capable of being drawn down in stress without triggering regulatory sanction or wind-down, albeit there should be a requirement for the issuer to rebuild them over time.
- For issuers deemed “significant” (by transaction volume, interconnectedness, cross-border flows or systemic linkage), enhanced stress testing, recovery planning and higher buffer requirements should apply.

- For stablecoins issued by an entity under a global brand, supervisors should evaluate stress scenarios both at the local entity level and across the issuer-network, including correlated redemption flows, operational dependencies, and cross-jurisdiction liquidity channels.

key-management incidents, third-party outsourcing risks, and large-scale cyber events.

- Operational transparency and reporting requirements: incidents that materially impair redemption capacity, reserve liquidity or key services must trigger prompt notification to supervisors and, where appropriate, public disclosure.
- Governance and operational resilience should scale with issuer size and systemic relevance but maintain a baseline that ensures operational integrity even for smaller issuers.
- Where possible, cybersecurity and operational resilience frameworks should build on or complement existing rules or standards to ensure consistency and minimise duplication of requirements.

5.2 Governance, Operational Risk and Cyber-Resilience

Robust operational and governance frameworks are indispensable in mitigating the risks intrinsic to digital asset issuance, custody, and redemption infrastructure.

Core Principles:

- Clear governance structures, defining accountability for risk, compliance, operations, technology, and business continuity, with independent oversight (e.g., audit committees or equivalent).
- Periodic risk assessments covering credit, liquidity, custody, counterparty, concentration, legal/regulatory, technology and cyber-security risks; the findings and mitigation actions should be documented and available to supervisory authorities.
- Cyber-resilience and business continuity plans: issuers and their custodians must implement policies, procedures and contingency arrangements to address service failures,

5.3 Proportionality and Systemic Differentiation

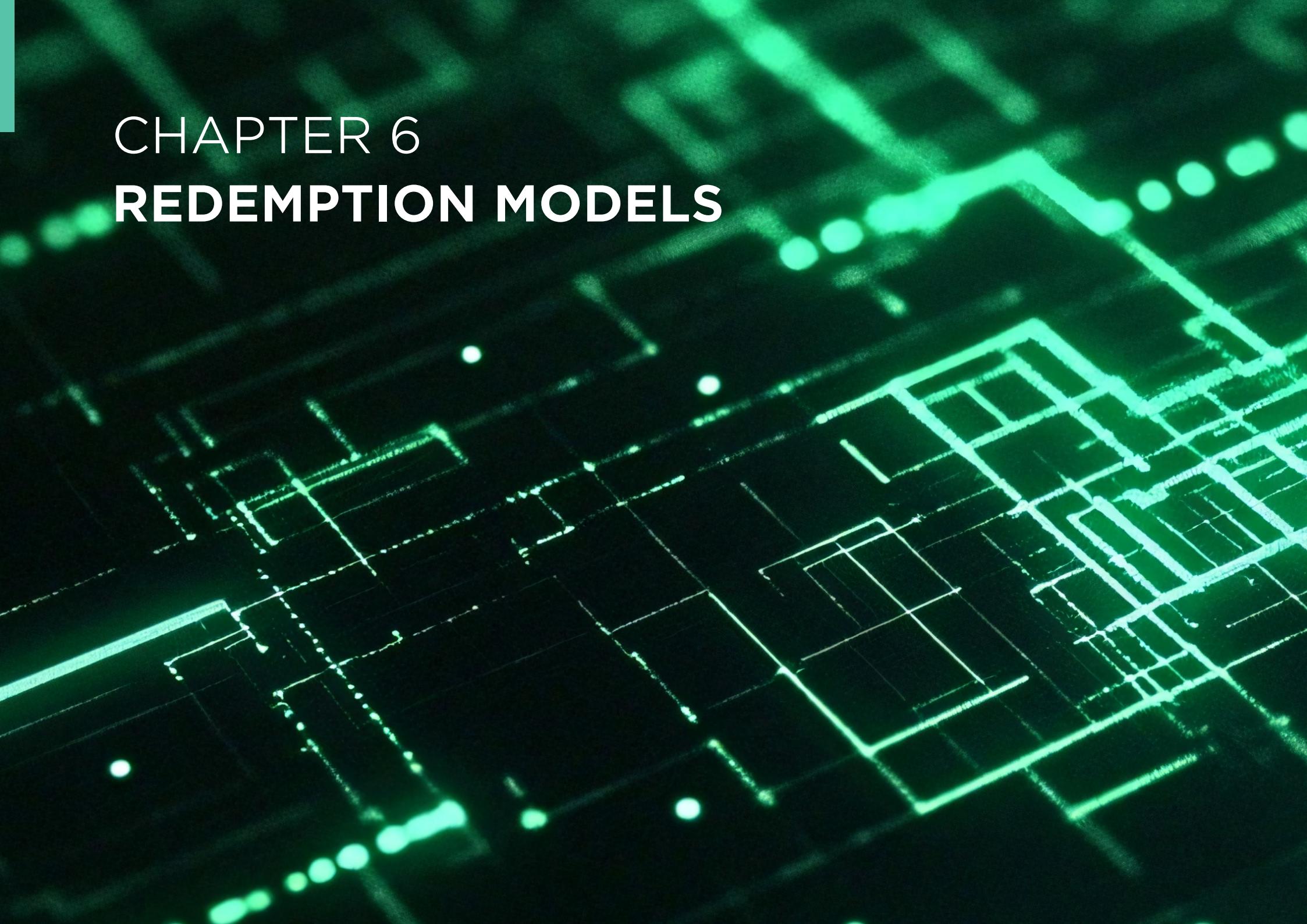
A credible stablecoin framework must recognise that issuers vary significantly in size, business model, jurisdictional reach and systemic relevance. Requirements should therefore be risk-based and proportionate, while ensuring consistent functional outcomes of safety, resilience, and transparency.

Core Principles:

- The criteria for designating issuers as “significant” or “systemic” should be clearly defined. Such criteria should take into account transaction volumes, interconnectedness with the financial system, and cross-border activity, with respect to the jurisdiction in question.
- The transition from the regime applicable to non-significant issuers and to the regime applicable to significant issuers should not materially disrupt the operations and growth of the issuer. Systemic regimes should supplement, not replace.
- Oversight of systemic stablecoins may shift in part from one regulator to another but should ideally be shared between the conduct regulator and the central bank (for example, the transition from Member State competent authority to EBA supervision in the EU, and US State to Federal regulators under the GENIUS Act).
- Ultimately, all stablecoins issued in a given jurisdiction should be subject to the same baseline regulatory requirements, with certain designated systemic issuers subject to an ‘uplift’ with respect to more stringent risk management, scenario modelling and liquidity modelling requirements; ultimately the regulatory regime should remain in place across all issuers, but the parameters could be altered as needed for systemic issuers.
- Smaller, non-systemic issuers may operate under simplified prudential regimes (e.g., lower capital or liquidity buffers, fewer stress-testing requirements), provided they still meet core outcomes (redeemability, transparent backing, segregation of funds).
- Larger issuers or those with cross-border circulation, significant transaction volumes or integration with other payment/financial infrastructure should be subject to elevated standards: higher buffers, enhanced supervision, regular stress-testing, scenario planning, formal recovery and resolution frameworks.
- Supervisory and disclosure regimes should reflect issuer classification which enable efficient resource allocation while maintaining high-integrity outcomes across all issuer tiers.
- When assessing foreign issuers for recognition or equivalence, jurisdictions should benchmark whether the issuer’s prudential, governance and operational regime deliver equivalent outcomes, rather than identical rules, allowing for regulatory learning and flexibility across jurisdictions. Where formal cooperation agreements already exist between the issuer’s home supervisor and the host market regulator, equivalence should be the default presumption. This supports mutual reliance on supervisory attestations, risk frameworks, and oversight processes, and helps avoid unnecessary fragmentation in areas such as reserve management or duplicative burdens from market-specific reporting formats. ■

CHAPTER 6

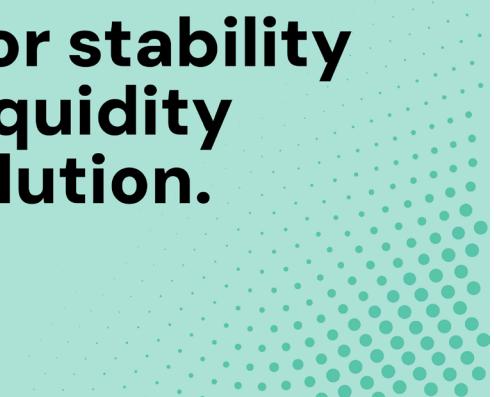
REDEMPTION MODELS



Guarantee Par Redemption — Without Creating Fragility



Redemption must **anchor stability** while allowing **orderly liquidity management and resolution**.

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6.1 Principles for Timely Redemption

Redemption vs. Conversion:

- The regulatory regime must recognise the distinct roles of redemption and conversion.
- Redemption involves an instruction to the issuer. The issuer uses reserve assets to pay money to the stablecoin holder.
- Redemption typically involves burning the redeemed tokens or otherwise taking them out of circulation.
- Redemption is only available to direct onboarded customers of the issuer. The issuer may set eligibility criteria for onboarding, thereby limiting access to redemption.
- Regulators may consider permitting stablecoins to be redeemed into assets other than the fiat currency denominating the stablecoin. For example, USD stablecoins could be redeemed into another fiat currency if the issuer is willing to provide this service. Such multi-currency redemption would need to be at a 1:1 value with the stablecoin's currency of denomination, based on the FX rates at the time.
- Conversion is the exchange of a stablecoin for other forms of money, independent of the issuer and independent of the reserve assets. It is facilitated by intermediaries or on secondary markets².

- Conversion should be the primary user exit mechanism in normal market conditions, ensuring liquidity through intermediaries and exchanges.
- In many global stablecoin ecosystems, holders primarily access fiat liquidity through conversion providers, payment firms, or regulated intermediaries, while these intermediaries maintain contractual par-redemption rights with the issuer. This model can provide reliable user liquidity while preserving issuer-level orderly liquidation of reserves.
- Issuers typically put in place arrangements ensuring secondary market conversion liquidity through intermediaries and exchanges.

Redemption as a stability anchor, not a daily obligation:

- Redemption rights at par underpin secondary market confidence and arbitrage, anchoring the 1:1 peg and helping preserve the singleness of money for stablecoins.
- In order to fulfil this function, redemption must be both accessible and operationally feasible within a reasonable timeframe.
- However, universal on-demand (T+1) redemption is unnecessary, operationally infeasible, and increases systemic risk by concentrating liquidity stress on the issuer.

- Regulators could consider setting minimum standards for redemption or conversion availability. For example, requiring the issuer to ensure it has direct customer (redemption) relationships with businesses representing a minimum portion of monthly or annual holdings/transfers of the stablecoin (i.e. the primary distributors). Alternatively, issuers could be expected to ensure third party arrangements offering secondary market conversion of a minimum amount of outstanding issuance (e.g. 10%) at all times (akin to market-making arrangements). Given enforcement challenges, such standards may be best set as best practice guidance in the first instance and could be reserved for larger, more *systemically important issuers*.

Redemption process and conditions

- Issuers must ensure holders pass AML / KYC checks before making redemption payments. It is critical to note that universal timely redemption does not in practice give holders an easy offramp. Both regulators and firms will require full KYC before they send the redemption funds.
- Issuers may outsource redemption to regulated exchanges or other digital asset service providers with suitable ability to distribute stablecoins and manage redemption flows. Issuers remain responsible for ensuring all regulatory and legal obligations, including KYC.

²Note that exchanges may refer to both conversion and redemption activities as "redemption", but the technical distinction between the different activities and economic impacts behind the scenes is both material and relevant.

- Issuers may require users to redeem via outsourced service providers or to convert their stablecoins in the secondary market prior to making a direct redemption request.
- Direct redemption may be reserved for onboarded customers.
- Issuers may set eligibility criteria for customers, to be disclosed on their website. Eligibility criteria may include location, size, and business type. Issuers must have discretion as to the types of entity with whom they directly conduct business.
- Redemption conditions should be permitted. These may include minimum redemption amounts, maximum daily redemption volumes, and redemption fees. Affording issuers the ability to control their obligations and manage redemption demands, including the fees earned on processing them, is critical for risk management and to allow nascent products and markets to develop. This recognises that issuers are already incentivised to ensure widespread redemption in order to enable a functioning stablecoin market but must nonetheless be able to balance this with managing their risks and operations.
- Fees for redemption may be tiered and set at the discretion of the issuer.
- Universal redemption for all holders should be reserved to stress scenarios, processed via the wind-down process described below.

● **Proportional Timeframes:**

- The definition of 'timely redemption' should reflect the liquidity characteristics of underlying assets and the safeguarding structure, which may vary across jurisdictions, issuers and markets. Regulatory expectations should focus on certainty of par-value redemption and transparent timeframes, rather than prescribing uniform settlement windows.
- Issuers may adopt tiered redemption models, for instance, standard redemption within T+5 (or regulatory permitted maximum), with premium expedited options for a fee, reflecting liquidation costs.
- Redemption policies and timeframes must be clearly disclosed *ex ante* and reflect realistic settlement windows for assets like gilts or MMFs.
- Extended redemption timeframes in stress circumstances should be permitted to enable orderly reserve liquidation and redemption payments.

● **Principles-Based Approach:**

- Regulators should require redemption to be prompt, reliable and subject to a well-defined process, not instantaneous.
- Where a stablecoin is issued across multiple jurisdictions, there should be flexibility for the issuer to harmonise on redemption rights - to a standard that is acceptable across each relevant jurisdiction - so that eligible counterparties in each jurisdiction can redeem at par with the relevant local issuer entity, ensuring global consistency of value.

- In this context, recognition from regulators of emerging global standards around redemption rights as they define their regimes, or deferral to the home jurisdiction of the stablecoin's reference currency, may be practical solutions to the operational challenges of multi-jurisdictional issuance.
- Quality of backing assets, not redemption speed, is the key determinant of safety.
- Flexibility enables orderly asset liquidation, prevents forced sales.

6.2 Transparency on Redemption Mechanics

● **Disclosure of Redemption Arrangements:**

- Issuers should publicly disclose what type of holder has direct redemption rights (e.g. onboarded institutional customers) and under what conditions.
- Redemption policies should be disclosed *ex ante* and should specify applicable timeframes, thresholds, fees, and eligibility criteria.
- Users must understand that a) redemption is not necessarily the only means to the outcome that they are seeking, and conversion may be sufficient for their needs and b) redemption (or 'off-ramp') itself is typically indirect (operated via exchanges, intermediaries or conversion providers) while the issuer guarantees par redemption to those intermediaries and backstops all redemption.

- Intermediaries should be allowed to play a role in redemption (indeed, they will handle most redemption in practice). The issuer may still be responsible for ensuring that redemption is available to all coinholders as an ultimate backstop, for example in a wind-down scenario (subject to applicable on-boarding, KYC / AML checks, etc). As explained above, redemption will be limited to onboarded customers and remaining holders will use conversion services other than in exceptional circumstances.
- Regulators and users must recognise that redemption is not instantaneous. Just as redeeming / withdrawing bank deposits into physical cash or foreign currency can have frictions, stablecoin redemption may not be seamless or instant. It may be appropriate for regulators to warn that stablecoins should be adopted at scale only where users have in place reliable access to the conversion services that they need.

- **Operational Transparency:**

- Where redemption is provided indirectly via third parties, disclosures should distinguish between primary (issuer-level) and secondary (market-level) redemption flows.
- Publish aggregate redemption data (e.g. total redemption volumes and notional per month, average processing time, and any causes of delay).
- Clarify that redemption requests trigger orderly liquidation of assets, not automatic sale, especially under stress conditions.

- Detailed data to be made available to prudential regulators.
- Transparency should extend to disclosure of custodians, liquidity arrangements, and governance over redemption processes.

- **Legal and Structural Clarity:**

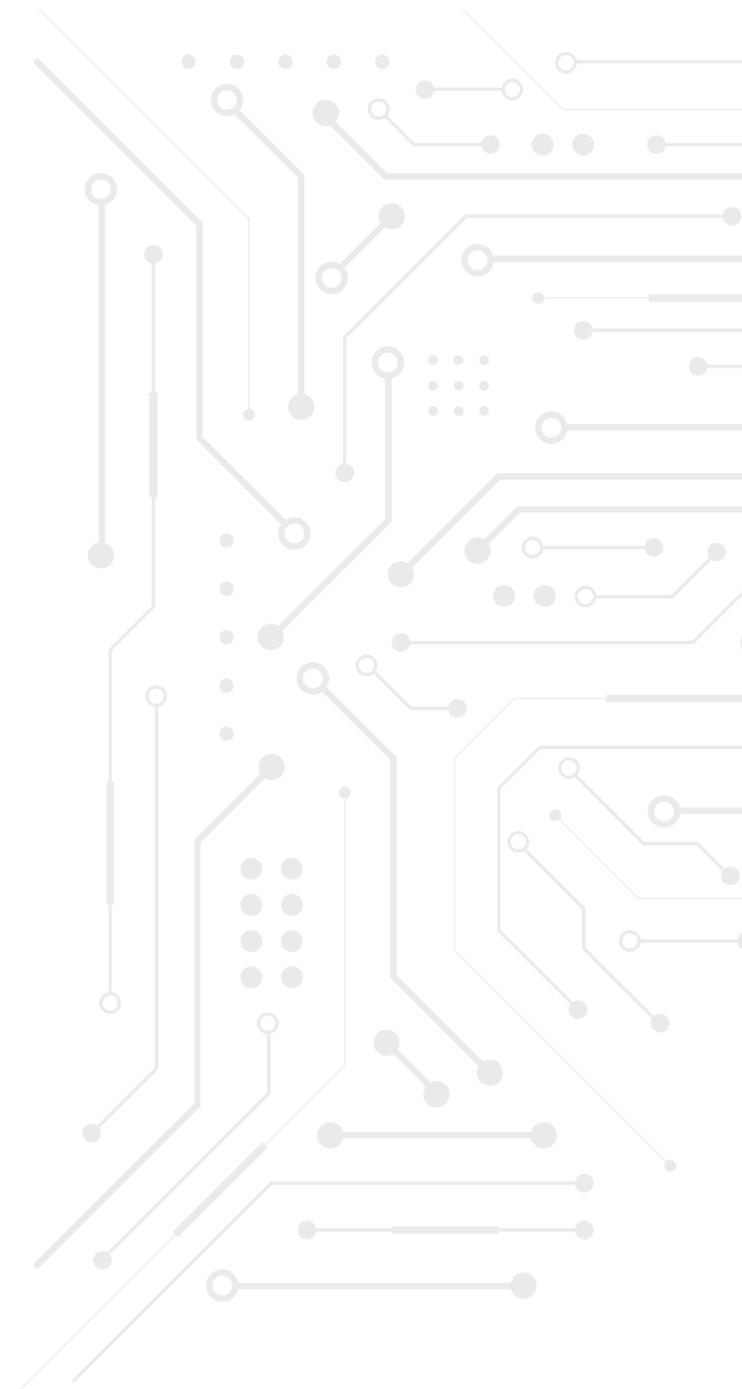
- Redemption claims should be contractually defined and underpinned by a statutory trust or equivalent safeguarding structure ensuring segregation of the assets used for redemption.
- Issuers should specify how redemption proceeds are distributed, how delays are managed, and how excess or residual value is treated.
- Transparency should extend to disclosure of custodians, liquidity arrangements, and governance over redemption processes.

6.3 Safeguards for Orderly Wind-Down / Issuer Resolution

- **Objective:** Ensure that coinholders can be made whole even in issuer failure, without fire sales or systemic contagion.

- **Orderly Liquidation Framework:**

- Backing assets should be high-quality and short duration so that, in a market stress scenario, they can be allowed to mature at full value to fund redemptions without excessive delay rather than being sold at a loss to meet regulatory redemption deadlines.



- If an issuer fails, trust or asset-segregation structures should enable insolvency practitioners to unwind backing assets separately from the issuer's insolvent estate, ensuring full redemption.
- Entitlement to backing assets is determined by ownership of the stablecoin, as recorded on the blockchain, and is subject to standard KYC processes.
- Regulatory focus should be on asset quality and legal segregation, not instantaneous liquidity.

• **Triggers and Resolution Planning:**

- Issuers should be required to implement recovery and resolution plans, and regulatory frameworks should outline the expected content of such plans.
- Predefined criteria should trigger recovery and resolution. Issuers should have credible operational pathways (which do not necessarily require immediate processing of mass redemptions) to process redemption for outstanding coinholders, to support an orderly wind-down and protect financial stability. Regulators should work with issuers to determine how the issuer intends to meet redemption requests and continue operating in an orderly manner during stress scenarios.
- Recovery and resolution planning should address governance arrangements, available options for measures to be taken by the issuer, execution timelines, communication

plans, operational pathways for redemption in stress scenarios, as well as a monitoring framework covering early warning indicators and defined triggers for recovery measures (i.e. in circumstances where issuers are unable to remain compliant with requirements applicable to backing assets) and resolution (i.e. in issuer wind down).

- Triggers for recovery and resolution measures may include both quantitative and qualitative measures, including circumstances stemming from (among other things) extreme market events, deterioration of credit quality of partners, reserve asset illiquidity or unavailability, a drop in secondary market price, operational / cyber incidents, and issuer insolvency.
- Thresholds for quantitative measures may not need to be prescribed in regulation, where such calibrations should reference an issuer's specific risk profile and operating environment. However, thresholds for early warning indicators should be set at a conservative level that signals emerging stress before the issuer comes under significant stress. For example, a minor drop in market price for a sustained period of time (e.g., 12 consecutive hours), or any deviation from >100% reserve adequacy, could warrant immediate attention and potential activation of recovery measures.
- Supervisory frameworks should include contingency funding plans, such as the Bank of England's proposed liquidity facility, and pre-identified insolvency administrators or trustees.

- Redemption in failure should occur over an extended period (up to the maturity of HQLA), ensuring orderly realisation of assets.

• **Communication and Confidence Measures:**

- In stress or wind-down scenarios, issuers must publish clear communications outlining redemption timeframes, estimated recovery values, and custodial arrangements. Regulatory templates should be provided.
- Regulatory coordination should ensure transparent oversight of asset realisation and redemption sequencing. ■

CHAPTER 7

AML/CFT COMPLIANCE

Align with Global AML Standards, Apply Them Proportionately

Stablecoin regimes must embed robust anti-money laundering and counter-terrorist financing (AML/CFT/CPF) standards aligned with global norms, including the Financial Action Task Force (FATF) Recommendations. While stablecoin issuers may not always be end customer-facing, they occupy a critical role in the digital value chain and must be regulated appropriately and proportionately with respect to the entities to which they do directly interact and on-board.



Financial integrity must be preserved without undermining usability or innovation.

7.1 Core AML/CFT Standards for Stablecoin Issuers

A fit-for-purpose regime should impose baseline AML/CFT/CPF obligations on issuers, including:

- **Effective AML/CFT Program**

- Designation of a compliance officer responsible for AML/CFT/CPF.
- Take appropriate steps to identify and assess risks, steps taken should be appropriate and proportionate to the size and nature of the business.
- Implement adequate policies, controls and procedures to manage and mitigate the risks identified.
- Implement internal controls to detect and escalate suspicious activity.

- **Recordkeeping and Monitoring**

- Retention of customer identification and transaction data, in line with FATF minimum retention time requirements.
- Ongoing monitoring for anomalous behaviour.
- Timely reporting to Financial Intelligence Units (FIUs).

- **Sanctions Compliance**

- Implement controls to detect and prevent undertaking business with those on financial sanctions lists and sanctions evasion.
- Verification against domestic and international sanctions lists.

- Technical capability to block, freeze, or reject prohibited transactions pre-execution.
- In instances in which freezing is not an option as funds have already been processed. i.e. if blockchain analytics finds risk some time post-transaction, ensure that processes and procedures are in place for reporting breaches.

These standards reflect the core principles under FATF and as implemented in the UK and EU MLRs, and other jurisdictions' AML frameworks, and support consistent supervisory expectations across jurisdictions.

7.2 Customer Identification and Due Diligence

Issuers should the following CDD standards with respect to customers:

- **Identity Verification**

- Identification and verification of account holders.
- Particular scrutiny for high-value, unusual or high-risk transactions.

- **Enhanced Due Diligence (EDD)**

- Consideration of whether EDD is required where there is a higher risk (i.e., for PEPs and users from high-risk jurisdictions).
- Dynamic risk scoring based on blockchain analytics and review based on transaction behaviour.



- ***Risk-Based Approach***

- Proportional controls based on customer profile, product type, and jurisdictional risk.
- Avoiding overly burdensome measures for low-risk users or limited-function wallets.

These principles align with FATF's Recommendation 10 as well as specific provisions within MICA and GENIUS.

7.3 Cross-Border Coordination and the Travel Rule

Stablecoin frameworks should incorporate cross-border safeguards, including the FATF Travel Rule (Recommendation 16),³ to ensure visibility into originator and beneficiary information across jurisdictions.

- ***Travel Rule Implementation***

- Systems to securely transmit sender/recipient data.
- Challenges still exist with regards to interoperability with other regulated VASPs and financial institutions.

- ***Information-Sharing Mechanisms***

- Clear delineation of reporting responsibilities across intermediaries and custodians.

- ***Supervisory Cooperation***

- Enabling mutual assistance, deference, and joint inspections where AML/CFT outcomes are equivalent.

7.4 Proportionality: Retail vs. Institutional On-Boarding

A modern stablecoin regime must differentiate between use cases and apply controls in a manner that is both risk-based and innovation-supportive.

- ***Retail Users***

- Threshold-based CDD and simplified due diligence for small-value, low-risk wallets.

- ***Institutional Participants***

- Full KYC/CDD and contractual compliance obligations.
- Onboarding requirements consistent with other financial market infrastructure participants.

This proportional approach reduces friction, allowing for financial inclusion and low-value payments, while preserving high-integrity controls for higher risk and large-scale or systemic activity. ■

³ Acknowledging there are still challenges with consistent application of the Travel Rule. These are still being discussed by FATF and have also been highlighted by GDF in its recent report: <https://www.gdf.io/resources/travel-rule-implementation-key-challenges-industry-recommendations/>

CHAPTER 8

REWARDS, YIELD AND

ECONOMIC RIGHTS



Yield Neutrality in Payment Stablecoins



Ensure payment stablecoins, unlike investments, **are non-yield bearing at issuance**.

8.1 Defining Rewards, Yield, and Interest

- **Defining Key Terms**

- Stablecoin frameworks should adopt clear and consistent definitions that distinguish between interest, yield, and rewards. These terms are often conflated in public discourse but have materially different implications.
- **Interest:** A financial amount earned from investment of an asset.
- **Yield:** The effective return derived from market activity, such as price appreciation, reinvestment of reserves, or participation in external lending strategies.
- **Rewards:** Discretionary, opt-in, or promotional benefits such as token rebates or loyalty incentives for customers.

A stablecoin should be structured as a non-interest-bearing, non-yielding claim on safeguarded assets. Yield-bearing or investment-linked products should be issued separately under securities or fund regimes.

8.2 Disclosure and Transparency Standards

- **Objective:** Issuers and platforms should be clear whether users receive any form of return, and if so, how that is provided.
- **Third party disclosures:** If rewards are paid by a third-party (e.g., platforms offering cashback or rebates), disclosures should make clear that these do not imply interest or yield from the stablecoin itself.
- **Marketing disclosures:** Marketing of any returns should include risk disclaimers, eligibility conditions, and avoid misleading terms such as 'guaranteed yield' or 'interest-like payments' unless supported by a contractual obligation.

8.3 Policy and Regulatory Guardrails

- **Objective:** Regulators should adopt a principles-based approach that distinguishes between investment-style returns and consumer-facing promotions.
- **Impact of yield / interest on payment instrument classification:** Contractual interest and yield-bearing features offered directly by issuers may undermine the stablecoin's classification as a payment instrument and should be restricted or subject to investment product regulation.

- **Promotional or Loyalty Rewards:** Promotional or loyalty rewards offered by issuers or platforms should be clearly distinguished from the economic rights associated with the stablecoin itself and should not alter its classification as a non-yielding payment instrument.

- **Key regulatory guardrails:** Guardrails should ensure that stablecoins are not marketed as substitutes for investment funds, high-yield savings accounts, or speculative instruments without appropriate licensing and disclosure.

8.4 Aligning with Consumer Protection Regimes

- **Objective:** Reward and return features must align with existing consumer protection principles, including advertising standards and product suitability obligations.
 - Platforms offering rewards should ensure that promotional language is consistent with local advertising codes and financial promotions rules.
 - Risk warnings should accompany any references to financial return, especially where the return is not guaranteed or carries hidden costs (e.g., lock-up periods, conversion fees).
 - Regulators should consider whether reward features increase product complexity in ways that require enhanced disclosures or additional user safeguards, especially for retail holders.

Regulatory Checklist: Building a Framework from the Playbook Principles

Chapter	Policy Area	Recommendation
01 Legal Classification & Taxonomy	Common Definitions	Adopt shared definitions for key terms like 'stablecoin', 'HQLA', and 'redemption rights' to improve global alignment.
	Taxonomy for Regulated Stablecoins	Classify stablecoins by function (e.g., payments, settlement, store of value) and risk to aid proportionate regulation.
	Perimeter Issues	Clarify thresholds where stablecoins become deposits, e-money or securities to avoid overlap and regulatory arbitrage.
	Systemic vs Non-Systemic	Define clear criteria to distinguish systemic from non-systemic issuers, enabling tiered regulation.
02 Reserve Asset Composition	Standards for Reserve Assets	Mandate full reserve backing with HQLA and prohibit risky or illiquid assets.
	Proportionality & Diversification	Permit reserve diversification with guardrails (e.g., deposit limits) and require alignment with redemption obligations.



Chapter	Policy Area	Recommendation
03 Custody	Segregation & Bankruptcy Remoteness	Ensure reserves are held in segregated, trust or custodial accounts, bankruptcy-remote from issuer.
	Custodian Standards	Require issuers to use custodians who are regulated, capitalised and subject to ongoing oversight.
04 Disclosures & Consumer Protection	Core Disclosure Standards	Disclose reserve composition, governance, redemption mechanics, and key terms.
	Attestation & Frequency	Mandate independent reserve attestations at defined intervals (e.g., monthly).
	User Rights	Ensure clear disclosure of redemption rights, transparent dispute processes, and protections from issuer failure.
05 Prudential Requirements	Capital & Liquidity Buffers	Set prudential buffers beyond 1:1 reserves to absorb operational losses only. Do not link capital buffers to issuance size.
	Governance & Risk Management	Impose standards for operational resilience, cybersecurity and board governance.
	Proportionality	Calibrate requirements based on issuer size, systemic relevance, and complexity.



Chapter	Policy Area	Recommendation
06 Redemption Models	Redemption Timelines	Require timely redemption at par for customers.
	Transparency	Disclose how redemptions are processed, by whom, and under what terms.
	Orderly Wind-down	Require plans for resolution and reserve ring-fencing in insolvency.
07 AML/CFT	Customer Due Diligence	Mandate KYC for customers and screen intermediaries.
	Travel Rule	Ensure compliance with cross-border data-sharing under FATF standards.
	Proportionality	Allow streamlined KYC for low-risk use cases and retail wallets.
08 Rewards & Economic Rights	Defining Yield	Define what constitutes yield, interest or rewards to avoid misclassification.
	Disclosure	Require transparency on how rewards are generated and paid.



CHAPTER 9

INTERNATIONAL MARKET

DYNAMICS



Many of the benefits of stablecoins rely on their international fungibility; in particular, cross-border payments and access to global digital markets.

International markets increasingly face the challenge of engaging with stablecoin issuers that operate across borders but are domiciled outside their regulatory reach. This interaction hinges on a mix of regulatory interoperability and market dynamics. Forcing stablecoins to be strictly localised undermines these benefits. Jurisdictions therefore face a challenge of how to allow global stablecoins to circulate, whilst also meeting regulatory objectives to protect local users.

Pragmatic solutions exist, leveraging familiar and proven tools from the toolkit developed for existing cross-border finance. The solution adopted may vary depending on how open a local market wishes to be - for example a jurisdiction wishing to act as an international digital asset hub may choose to impose lower barriers on overseas stablecoins.

Some jurisdictions (such as the EU under MiCA, or Singapore under the Payment Services Act) require foreign issuers to locate within their jurisdiction and align with these standards if they wish to access local users or banking infrastructure, subject to clear licensing and disclosure regimes. While this approach provides a pathway for firms to enter their market, and strong jurisdictional oversight over local activity, it also creates significant operational complexities, compliance burdens and

unscalable standards for globally operating issuers, potentially disincentivising issuers from pursuing local compliance and ultimately contributing to a fragmented global stablecoin market.

Cross-border supervisory cooperation, therefore, is critical for supporting international markets in stablecoins. Beyond supporting market development (which is not a primary objective for most financial market regulators), mechanisms such as interoperable cross-border frameworks and regulatory cooperation will counter against regulatory arbitrage and unintended consequences that might, in the worst case, lead to global financial contagion. In practice, no single authority can fully monitor reserve quality, liquidity management, or redemption rights across multiple markets.

9.1 *Different reciprocity mechanisms*

- **Passporting:** Allows firms licensed in one jurisdiction to operate freely across others within a harmonised regulatory framework (e.g., EU single market). Relies on uniform rules and supervisory alignment, not case-by-case approval. Offers the highest degree of cross-border integration but requires deep legal harmonisation and shared enforcement mechanisms.

- **Equivalence:** A jurisdiction recognises certain aspects of another's regulatory regime as "equivalent"⁴ to its own, granting limited market access. Determined through technical assessments of regulatory outcomes rather than identical rules. Can be revoked or revised (generally with an agreed notice period), giving the host authority ongoing leverage over foreign access. This usually allows a firm from an equivalent regime to enter a host market on the same, or similar, terms to locally authorised firms, for specific regulated activities. It requires ongoing supervisory and regulatory dialogue between the home and host regulators. We would encourage regulators to build on existing cooperation agreements such as those between the CFTC and FCA.
- **Mutual Recognition:** This is a heightened form of equivalence. Two or more jurisdictions formally agree to recognise each other's regimes as functionally comparable, typically through bilateral or multilateral arrangements. Promotes cross-border activity while preserving domestic oversight and reciprocity. More flexible than passporting but more stable than equivalence, as recognition is generally automatic once a firm is licensed in one jurisdiction or the other. Financial regulators generally retain a 'prudential carve-out' to impose additional requirements on firms from the foreign jurisdiction where they consider there to be risk to their prudential objectives.
- **Unilateral Openness:** A jurisdiction allows access to foreign entities without requiring formal reciprocity or equivalence. Often used to encourage innovation or maintain market competitiveness (e.g., open access regimes for certain fintech services). Carries higher prudential and conduct risk, as supervision depends largely on the home regulator's standards. Usually, the scope of a unilaterally open regime is quite narrowly construed on what types of services can be offered on this basis (e.g. the UK's 'Overseas Persons Exclusion' or OPE in traditional financial markets). There may still be other requirements placed on overseas firms, such as around financial promotions or consumer protection.

In practice for stablecoins, international markets are expected to adopt a lightweight equivalence approach: recognising issuers from jurisdictions with comparable oversight but maintaining some sort of registration regime, or regulating local providers of stablecoin-based services, enabling host regulators to control market entry.

As things stand, some global stablecoins are issued by multiple regulated entities across different jurisdictions. Reciprocity and equivalence assessments should therefore consider whether the issuer-network as a whole meets prudential, governance, and disclosure standards, rather than solely assessing a single entity in isolation where this applies to an issuer and their broader network.

⁴ The term 'equivalent' is a legal one under EU law, as well as descriptive. Other jurisdictions, (e.g., the USA) use terms such as 'comparable'.

9.2 Local issuance vs the acceptance of an overseas issued stablecoin

The methods outlined above derive from traditional financial regimes and are largely institution-based. For the stablecoin market, this involves consideration of the location of issuance (and how the issuers are authorised). Stablecoins, however, are capable of circulating in jurisdictions beyond where they are issued.

Some jurisdictions may wish to position themselves as more open in order to encourage more stablecoins to circulate locally as part of efforts to create a digital asset hub. For these jurisdictions, imposing local issuance requirements would reduce the set of stablecoins that could circulate, and therefore they are more likely to use registration and/or market-based requirements (i.e. white papers).

Other jurisdictions, particularly emerging markets, may be concerned that the widespread use of USD-backed stablecoins could accelerate the dollarisation of their economies. Additionally, some jurisdictions may prioritise a very high level of protection for local users over the economic benefits of openness to overseas stablecoins and hence may mandate local issuance. While these are legitimate macroeconomic and sovereignty considerations, it is equally important for regulators to avoid fragmenting the core technological attributes that make stablecoins valuable: chief among them, their fungibility and interoperability across networks and markets. In this context,

safeguarding the functional equivalence and technical consistency of stablecoin units, regardless of point of issuance (while subject to compliance with comparable standards across jurisdictions), will be crucial to the future scalability and resilience of cross-border stablecoin ecosystems.

Therefore, the mechanisms in Section 1.9.1 above could support either (i) full market access with no local issuance requirements or (ii) market access subject to local issuance (which may include local redemption rights and reserves).

The latter gives rise to the multi-issuance framework which is currently envisaged in the EU. While there is regulatory disagreement about the potential risks posed by the multi-issuance of stablecoins, some safeguards could support this practice, such as:

- Supervisory co-operation
- Comparable regulatory regimes
- Local reserves which are rebalanced regularly
- Restriction of local redemption rights to local holders
- Ability to protect local reserves in stress / wind-down
- Additional capital requirements
- Liquidity stress testing

Where a stablecoin is issued both locally as well as from regulated entities abroad, under a unified governance and reserve framework, jurisdictions should consider streamlined recognition pathways that avoid duplicative authorisation while ensuring consistent consumer protections.

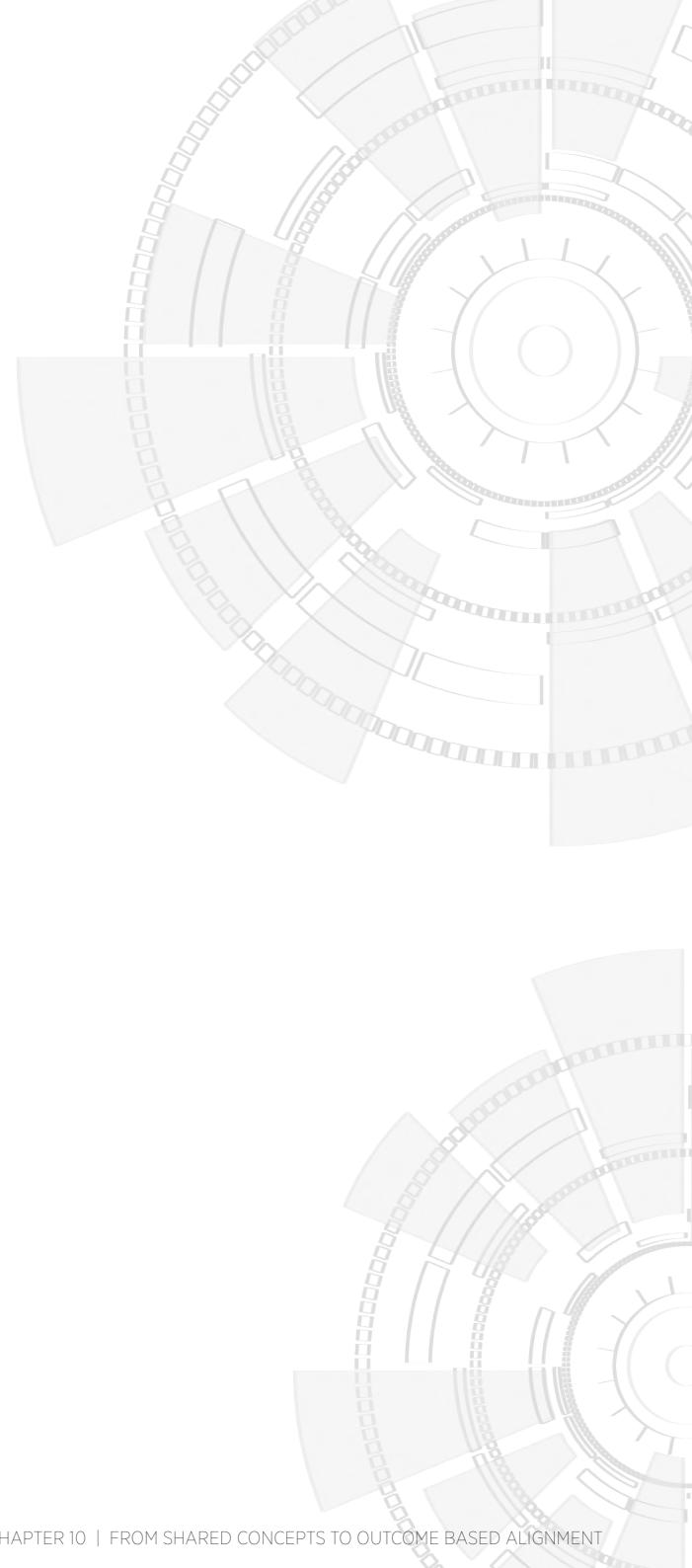
When a foreign issuer operates domestically (by establishing a licensed entity or holding local reserves), it falls under direct local regulatory supervision, enabling authorities to enforce prudential, consumer protection, and anti-money laundering standards. Permitting a foreign-issued stablecoin to circulate without local incorporation or direct supervision risks creating regulatory distance: domestic authorities can influence usage (e.g. through limits, payment system access, on-/off-boarding restrictions into local fiat or other assets) but cannot directly control reserve management or redemption rights. Such arrangements can heighten cross-border risk transmission and reliance on foreign supervisory standards, where the issuer's home framework is weak or misaligned to the host. However, local incorporation or direct supervision requirements will significantly raise barriers to entry into local markets. A compelling alternative is to rely on foreign supervisory standards through reciprocity or equivalence frameworks (as discussed in sections 9.1 and 10.2) when such standards achieve outcomes comparable to the home jurisdiction, especially when combined with cross-jurisdictional information-sharing agreements between supervisory authorities. Such an approach promotes transparency and accountability while maintaining robust safeguards for market integrity and consumer protection. ■

CHAPTER 10

FROM SHARED CONCEPTS TO

OUTCOME BASED ALIGNMENT





A coherent global framework for stablecoins depends on agreement around minimum global standards: a shared baseline of safety, transparency, and interoperability that all jurisdictions can recognise, even as each tailors its regime to local policy priorities. It requires consistent delivery of core prudential, operational, and consumer protection outcomes. Stablecoins are inherently transnational, but the regimes that govern them reflect sovereign choices, choices shaped by monetary policy, fiscal needs, financial structure, and global positioning. This exercise in financial sovereignty enables each state to design its digital money ecosystem to reinforce its macro-financial priorities, whether those are fiscal sustainability, strategic autonomy, or market competitiveness⁵.

At the global level, regulators should seek to embed a common conceptual foundation: consistent definitions of what constitutes a stablecoin, what “par-value redemption” entails, and what qualifies as “high-quality reserve assets.” Many of these shared definitions already exist in the form of IOSCO and FSB recommendations and are capable of forming the basis of global interoperability. Over time, their consistent adoption can reduce compliance duplication, enable cross-jurisdictional issuance, and foster liquidity and innovation without undermining financial stability or monetary sovereignty.

10.1 Shared Principles, Sovereign Calibration

The foundational principles underpinning stablecoin oversight are increasingly clear. Full reserve backing with HQLA, clear and enforceable redemption rights, robust governance, and transparent disclosures form the minimum global baseline. These principles are echoed in FSB and IOSCO recommendations and are reflected, though differently calibrated, across leading jurisdictions.

However, the implementation of these principles varies to align with local policy priorities:

- The United States, through proposals like the GENIUS Act, positions stablecoin demand to strengthen Treasury markets and bolster the international role of the dollar. Regulatory design thus becomes an extension of fiscal and geopolitical strategy.
- The European Union’s MiCA framework requires a significant share of reserves to be held as deposits in EU credit institutions, integrating stablecoins within the existing banking system and reinforcing a bank-based financial model.
- Singapore prioritises reserve quality and international credibility to support its role as a cross-border financial hub. In contrast, GCC jurisdictions focus on interoperability and payments integration, using stablecoin frameworks to advance regional monetary infrastructure.

⁵ Reference to DEA paper - <https://digital-euro-association.de/blog/the-role-of-stablecoins-in-financial-sovereignty>



These examples highlight a core reality: financial sovereignty will shape stablecoin regulation, and regulatory differences will persist even as common goals are pursued. The task for international coordination is not to erase these differences, but to map a path to trusted interoperability based on shared principles and measurable outcomes.

10.2 Functional Equivalence and the Role of the Home Supervisor

Cross-border cooperation must recognise that different tools can produce similar results. For example, one jurisdiction may enforce liquidity through sovereign debt holdings; another through regulated bank deposits and diversification. If both achieve comparable resilience, redemption certainty, and disclosure standards, they should be treated as functionally equivalent.

This logic extends to foreign issuer recognition. When regulators assess the eligibility of global stablecoins for market access, the benchmark should be outcome equivalence, not regulatory uniformity. Jurisdictions should prioritise whether the issuer's prudential, governance, and risk frameworks deliver the same user protections, not whether the regulatory texts are identical.

Where cross-border regulatory cooperation agreements already exist between the home supervisor and the host regulator, this should provide a pathway to automatic or presumptive equivalence. Global stablecoin issuers should not face duplicative reserve, disclosure, or redemption requirements where the home regulator already provides effective oversight and

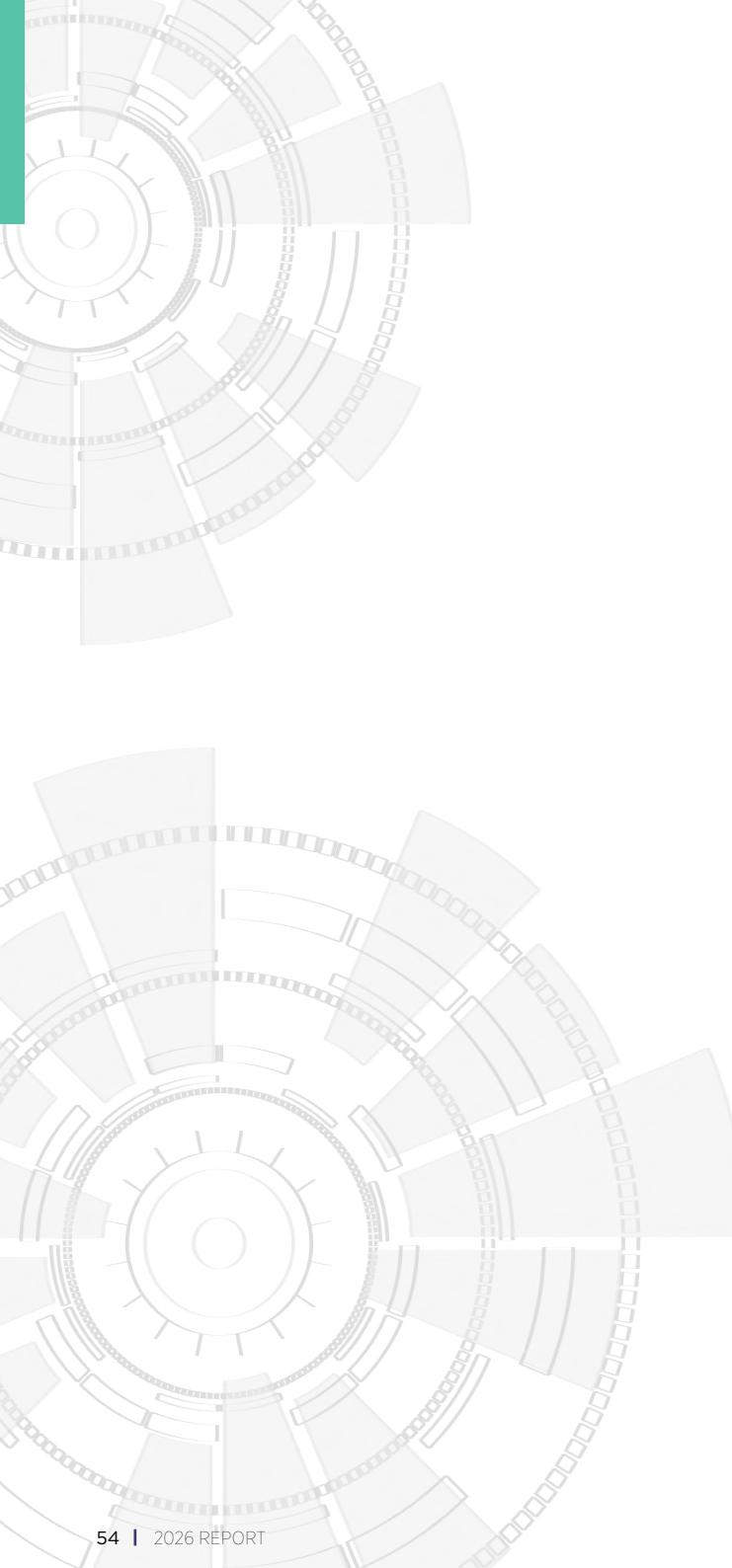
information-sharing. Fragmenting these processes risks not only operational inefficiencies, but the weakening of cross-market risk monitoring and crisis coordination.

10.3 Avoiding Technological Fragmentation

A pressing risk in the current regulatory trajectory is that over-localisation will erode the fungibility and technical integrity of stablecoins. Some jurisdictions, particularly those managing currency substitution risks, have voiced concern that USD-referenced stablecoins could accelerate dollarisation. While this is a legitimate macroeconomic consideration, regulatory responses must avoid inadvertently breaking the technical coherence that makes stablecoins useful as programmable, borderless assets.

If tokens referencing the same currency are treated differently in terms of legal recognition, reporting, or reserve segregation based solely on issuer structure or geography, fungibility could fracture. This fragmentation would undermine interoperability and create new barriers to efficiency, innovation, and liquidity.

To maintain global scalability and reduce friction, jurisdictions should converge on token-level consistency, ensuring that like-for-like stablecoins are treated similarly where they deliver equivalent safeguards. This does not require abandoning sovereign oversight but demands that such oversight be exercised through interoperable frameworks, not isolated mandates.



10.4 Building Regulatory Trust: A Phased Roadmap

A long-term framework for stablecoin interoperability must be built incrementally starting from shared principles, then aligning supervisory practices, and eventually enabling mutual reliance between regulators.

Immediate Opportunities:

- Recognise regulatory outcomes that are already aligned on core risk metrics (reserve quality, redemption enforceability, disclosure transparency).
- Use existing bilateral MOUs or multilateral forums to reduce duplicative authorisation burdens.

The first step towards alignment is to identify areas where existing frameworks deliver equivalent results on key areas such as reserve quality and transparency, and disclosures on redemption and governance. If two regimes both ensure that stablecoin reserves are held 1:1 in HQLA, independently attested and subject to redemption at par, their prudential outcomes are equivalent, even if one requires monthly attestations while another mandates continuous disclosure. Mutual recognition or deference mechanisms could therefore be introduced for these aspects without requiring significant legislative overhaul, enabling early regulatory bridges between the UK, US, EU, and leading ME / APAC markets.

Policymakers should also embrace the concept of functional substitutes: where different mechanisms achieve the same risk-mitigation outcome, they may be treated as equivalent. For example, a jurisdiction that permits a greater share of commercial bank deposits within its reserve mix can still meet the same liquidity and safety standards as one requiring sovereign debt as a primary backing asset, provided that diversification and daily reconciliation are enforced. Similarly, redemption rights need not be operationally identical to be interoperable; the anchor outcome is that holders have a clear, enforceable right to redeem at par through a transparent process. The combination of reserve assurance, disclosure transparency, and effective redemption rights constitutes the immediate common ground for regulatory recognition.

Medium-term actions:

- Coordinate on supervisory expectations (e.g. stress testing, AML compliance, attestation frequency).
- Treat different mechanisms (e.g., sovereign bonds vs. diversified deposits) as acceptable substitutes where justified by outcomes.
- Embed consistent user protection standards regardless of issuer origin.

In the medium term, co-operation should deepen and progress from shared principles toward shared supervisory expectations. Regulators can progressively align best practices on key operational and conduct domains, such as AML/CFT compliance and Travel Rule implementation, redemption timelines, and disclosure standards. Harmonising the outcomes of supervision, rather than the textual rules, will allow issuers and service providers to operate across borders under predictable expectations, while giving supervisors confidence that comparable protections apply to their citizens.

Long-term goals:

- Establish supervisory colleges for global stablecoin networks, with information-sharing on reserve composition, redemption flows, and operational risks.
- Support mutual reliance frameworks, where regulators delegate ongoing oversight of foreign issuers to trusted counterparts.
- Explore passporting-style arrangements for stablecoins authorised in regimes with demonstrably equivalent supervision.

The long-term goal is to build sufficient confidence in one another's regimes to enable mutual reliance: the capacity for regulators to rely on their counterparts' supervision of cross-border issuers. As trust and experience accumulate, this could evolve into passporting-style mechanisms,

allowing a stablecoin authorised in one jurisdiction to operate in another based on demonstrable outcome equivalence. Such a system would mirror the mutual recognition models already in place for payment and securities infrastructures but adapted to the distinct characteristics of digital money.

10.5 Role of International Standard-Setters

Global bodies such as the FSB, IOSCO, BIS, and G20 are critical to anchoring this process. Their role is not to impose uniformity, or to promote, support, or criticise particular products, but to provide neutral guardrails and reference points for national authorities. These include:

- Consistent definitions for "stablecoin," "redemption," and "high-quality reserves"
- Risk taxonomies and supervisory toolkits that jurisdictions can adapt
- Templates for cross-border cooperation, stress response, and supervisory colleges
 - For stablecoins issued across multiple jurisdictions, supervisory colleges should be structured at both the local entity level and the broader global network level, enabling regulators to share information on reserves, redemption flows, operational incidents, and governance across the entire ecosystem.

These bodies also provide political legitimacy and continuity, ensuring that interoperability efforts outlast electoral cycles or national leadership changes. Crucially, they enable regulatory dialogue between jurisdictions pursuing different strategies, reducing the risk of fragmentation and arbitrage while preserving space for innovation and sovereignty. ■

The background of the slide features a close-up, abstract view of a building's exterior. The surface is composed of numerous thin, metallic-looking panels that are arranged in a wavy, undulating pattern. The lighting creates strong highlights and shadows on the edges of the panels, giving them a three-dimensional, almost crystalline appearance. The overall color palette is a mix of dark blues and greys.

CHAPTER 11

CONCLUSION AND NEXT STEPS

This Playbook sets out a pragmatic foundation for designing credible and interoperable regulatory frameworks for fiat-referenced stablecoins. By focusing on shared principles, functional outcomes, and jurisdictional flexibility, it aims to support both domestic implementation and international alignment. The core message is simple: stablecoin regulation need not be identical to be compatible. What matters most is consistency in outcomes, on reserve safety, redemption certainty, consumer protection, and operational resilience.

As stablecoin usage continues to grow across diverse markets and financial systems, the need for regulatory coordination becomes more urgent. Fragmentation risks undermining the very benefits that make stablecoins valuable, efficiency, transparency, and global accessibility.

The next phase of this work will focus on jurisdictional engagement, practical adoption of the Playbook's principles, and deepening dialogue between regulators, issuers, and infrastructure providers. Future iterations may also expand the scope to address additional use cases, including tokenised deposits, wholesale settlement instruments, and public-private interoperability models.

We invite regulators, policymakers, and industry stakeholders to adopt the Playbook's core framework, contribute to its evolution, and collaborate on building a stablecoin ecosystem that is safe, trusted, and globally connected. ■

APPENDIX

Annex 1: Comparative Table of Regulatory Approaches Across Jurisdictions

This Annex is intended to provide a high-level, comparative snapshot of stablecoin regulatory approaches across selected jurisdictions. It includes indicative comparative tables of key regulatory requirements as discussed in the playbook, as well as an assessment of how specific jurisdictions are approaching reciprocity with comparable regimes.

The content of this Annex is non-exhaustive and should not be read as a comprehensive or definitive statement of applicable law or regulatory expectations in any jurisdiction. Stablecoin frameworks globally remain rapidly evolving, with further legislative, supervisory and policy developments anticipated across many of the jurisdictions covered.

Accordingly, this Annex is intended to function as a living reference to support the broader analytical objectives of the Playbook. It will be iterated and updated over time as regulatory regimes mature, implementation guidance is published, and international convergence or divergence becomes clearer through the ongoing work of the Playbook and its contributors.

Jurisdiction and status	Asset definition and classification	1:1 backing	Reserve audit	Redemption	Approach to comparable regimes
EU - regime finalised and in application since 30 June 2024 (Markets in Crypto-asset Regulation (EU) 2023/1114).	<p>Electronic money token (“EMT”) - a cryptoasset designed to maintain a stable value by referring to one official currency.</p> <p>Aspects of e-money and payments regulation apply due to dual classification as crypto-asset and e-money.</p>	yes	<p>6 monthly audits for significant EMT issuers, otherwise in accordance with financial audits as EMI or CI.</p>	<p>At par, at any time.</p> <p>Must not be subject to fees.</p>	<p>No defined approach to comparable regimes.</p> <p>Local establishment and authorisation requirements imposed on global stablecoin issuers.</p>
<p>US - federal framework established since July 2025 (the GENIUS Act), rulemaking ongoing.</p> <p>State-level regimes vary (e.g. NYDFS guidance on issuance of USD-backed stablecoins has been in place since 2022).</p>	<p>Payment stablecoin - digital asset used for payments or settlements, requiring its issuer to redeem it for a fixed monetary value and maintain a stable price.</p>	yes	<p>Monthly attestations and CEO attestations.</p>	<p>At par, in a timely manner.</p> <p>Operational redemption requirements will be further specified via rulemaking.</p>	<p>No defined approach to comparable regimes.</p> <p>Local establishment and authorisation requirements imposed on global stablecoin issuers.</p>
Singapore - framework approach finalised in 2023, regime not yet in force.	<p>Single-currency stablecoins (SCS) - a type of digital payment token designed to maintain a constant value against one or more specified fiat currencies. Not considered to fall in e-money definition (per regulatory guidance). Stablecoins that fulfil all relevant requirements may use the label “MAS-regulated stablecoins”.</p>	yes	<p>Monthly independent attestations and annual audit report to be submitted to MAS.</p>	<p>At par, within 5 business days.</p>	<p>In 2023, MAS stated that, at the outset of its new regime, a “MAS-regulated stablecoin” must be issued solely out of Singapore, but it would consider formal regulatory cooperation mechanisms with other jurisdictions as stablecoin regulations mature over time.</p>

Jurisdiction and status	Asset definition and classification	1:1 backing	Reserve audit	Redemption	Approach to comparable regimes
Hong Kong - regime finalised (the Stablecoin Ordinance and HKMA guidelines), in effect since August 2025.	Fiat-reference stablecoin or “specified stablecoin” - a stablecoin which purports to maintain a stable value with reference to one or more official currencies. Definition excludes floats or deposits relating to stored value facilities (e.g. e-wallets, prepaid cards).	yes	Regular independent attestations at a frequency acceptable by HKMA (plus public disclosures on a weekly basis). Annual financial audit should also cover reserve assets.	At par, by end of the next business day.	No defined approach to comparable regimes.
UK - perimeter established (the Cryptoasset Regulations 2025), rulemaking ongoing.	<p>Qualifying stablecoin - a type of cryptoasset referencing fiat currencies and holding reserves for the purposes of stabilising its value. Explicitly excluded from e-money definition. Not expressly regulated (nor prohibited) for payments purposes.</p> <p>Also, a digital settlement asset (“DSA”) under the Banking Act 2009 - relevant for systemic stablecoins used for payments within the Bank of England’s remit.</p>	yes	Annual independent audits required. (Public disclosure of backing asset composition required every 3 months).	At par, by end of the next business day, or intraday / end-of-day for systemic sterling stablecoins.	In development - Bank of England published high level proposals to “defer” to the home authority of a comparable regime in respect of systemic stablecoins used for payments.
Abu Dhabi Global Market (ADGM) - regime finalised in financial services legislation (through legislative amendments in 2025) and in supporting rules and guidance .	Fiat-referenced tokens (FRTs) - a category of stablecoins that references a single fiat currency, are used as a medium of exchange, and allows on-demand redemption from the issuer. Only regulated FRTs can be used in payments.	yes	Monthly independent attestations and annual audits.	At par, within 2 business days.	No defined approach to comparable regimes.

Jurisdiction and status	Asset definition and classification	1:1 backing	Reserve audit	Redemption	Approach to comparable regimes
Dubai International Financial Centre (DIFC) - stablecoin specific rules in the DFSA Rulebook in place since 2024 (and recently updated).	Fiat Crypto Token - a type of "crypto token", the value of which purports to be stabilised by reference to a single fiat currency. Only Fiat Crypto Tokens which the DFSA is satisfied are "suitable" can be used in financial transactions.	yes	Regular independent attestations at a frequency acceptable by HKMA (plus public disclosures on a weekly basis). Annual financial audit should also cover reserve assets.	The DFSA does not specifically regulate "redemption" of Fiat Crypto Tokens, but issuers should be clearly responsible and liable to holders.	The DFSA has stated that its framework is designed to recognise Fiat Crypto Tokens issued in other comparable jurisdictions. In 2025, the DFSA expressly whitelisted foreign-issued stablecoins as 'suitable' for use in the DIFC.
United Arab Emirates (UAE) mainland - regime enacted via the Payment Token Services Regulation in 2024 (and in force since 2025).	Payment token - referring to a virtual asset which purports to maintain a stable value by referencing the value of a fiat currency.	yes	Monthly independent attestations.	At par, by the end of next business day.	No defined approach to comparable regimes. Foreign payment token issuers may apply for authorisation.
Nigeria - broader digital asset approach (Investment and Securities Act 2025) in place since March 2025. No stablecoin specific legislation.	Virtual and digital assets are classified as securities in the Investment and Securities Act 2025 to allow such instruments to be used on regulated exchanges.	No express rules	No express rules.	No express rules.	No defined approach to comparable regimes.
Kenya - AML regime Virtual Asset Service Providers Act 2025 in place since November 2025. Legislation enables further rule-making on issuance and use of stablecoins.	Stablecoins - referring to a virtual asset designed to or that aims to have its value fixed or pegged relative to one or more reserve assets.	No express rules	No express rules.	No express rules.	No defined approach to comparable regimes.

Annex 2: Forthcoming Africa Chapter of the Global Playbook

The Alliance for Innovative Regulation (AIR) is partnering with Global Digital Finance to contribute to the Global Regulatory Playbook and to lead the forthcoming African chapter. AIR is a nonprofit, non-governmental organisation dedicated to advancing more inclusive, innovative, and resilient financial systems through the responsible use of technology. We work in close collaboration with regulators and policymakers worldwide, providing neutral and trusted support as they navigate emerging financial innovations.

As part of this collaboration with global regulators and policymakers, AIR is leading a 12-month, multi-phased regulatory engagement programme, Stablecoins and the African Financial System, focused on advancing Africa's readiness for stablecoins ways that support financial stability and consumer protection. This programme will examine how the core principles outlined in the Global Regulatory Playbook manifest across African markets, with careful consideration of country-level contexts and regulatory realities.

The resulting African chapter is intended for publication in April 2026 and will serve as a practical resource for African regulators and supervisors, as well as global regulatory counterparts, in shaping regulatory readiness and supervisory approaches to virtual assets.

Stakeholders interested in engaging with AIR are invited to contact Programme Lead Lauren Cassells, at lauren@regulationinnovation.org.



With thanks to the GDF Global Stablecoin Working Group comprised of stablecoin issuers within the GDF membership for their contributions



- **Elise Soucie Watts** - Executive Director & Board Member
- **Jannah Patchay** - Executive in Residence & Board Member
- **Andrew Whitworth, PhD** - Executive in Residence

With thanks to AIR for their partnership



HEADQUARTERED AT:

Kemp House
128 City Road
London
EC1V 2NX
United Kingdom

FOLLOW US:

 @GlobalDigitalFi
 Global Digital Finance

CONTACT US:

e: hello@gdf.io
w: www.gdf.io