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GLOBAL FINANCE & TECHNOLOGY NETWORK

Navigating Global Headwinds:

Digital Money in Tokenized Markets

Aug 2025

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Executive Summary

Digital money is no longer a future concept; it is a rapidly maturing reality. At the Point Zero Forum in May 2025, stakeholders assessed progress and challenges in the evolving digital currency landscape. The discussion revealed digital money is rather fragmented and not consolidating, with Central Bank Digital Currencies (CBDCs), stablecoins, and tokenized deposits all gaining traction simultaneously. Each is optimized for different use cases, from cross-border remittances to capital markets integration, and reshaping global financial infrastructure.

Yet, this momentum faces friction. **Regulatory divergence**, infrastructure **fragmentation**, and implicit **geopolitical rivalry** define this transformation. While stablecoins, whose circulation is projected by some analysts like Citi to reach between $1.6 trillion and $3.7 trillion by 2030 (Citigroup, 2023), race ahead in adoption—especially in emerging markets—public sector innovation, including CBDCs, trails. Consequently, private digital money formats shape the financial system faster than public initiatives, raising urgent questions around monetary sovereignty, interoperability, and risk resilience.

The State of Play

1 Regulation as Geopolitical Strategy:

Jurisdictions shape their rules to attract capital, talent, and infrastructure, gaining influence over the future of digital finance — as seen in the U.S. (GENIUS Act), EU (MiCA), and the UK's innovation-friendly 'Supercharged Sandbox'. (Financial Conduct Authority, 2025).

2 Infrastructure as the Battleground:

Fierce competition exists to provide the foundational settlement layer for digital assets; governance, not just technology, will drive adoption.

3 Multiple Formats, Coexisting Ecosystem:

CBDCs, stablecoins, and tokenized deposits solve different problems; the financial system must prepare for their coexistence and interoperability.

Capital Markets Embracing On-Chain Solutions: Programmable money is being embedded into capital markets, with settlement efficiency as the next competitive frontier.

4 Cross-Chain Integration is Vital:

While interoperability is feasible (e.g., JPMorgan's cross-chain DvP (Business Wire, 2025)), standards and regulatory clarity are lacking, risking fragmented tokenized liquidity (Swift, 2024).

5 Resilience is Non-Negotiable:

Geopolitical risks and systemic stress underscore the need for robust failover protocols and safeguards in digital money systems.

Recommendations:

- **Drive cost-efficiency with tokenized automation:**

Tokenized money reduces intermediaries, speeds up settlement, and lowers operational overhead. Use automation and programmable settlement to cut costs in treasury, payments, and capital markets.

- **Design for coexistence:**

Digital money is taking multiple forms - wCBDCs (emerging in the EU, Switzerland, UAE), rCBDCs (somewhat lagging globally except China), and USD-backed stablecoins (already widely adopted in emerging and inflation-prone markets like Turkey and the Philippines). Future-proof your systems to interact with all formats flexibly and securely.

- **Use regulatory divergence as a strategic edge:**

Leverage differences across jurisdictions—from UK's openness, EU's caution, and U.S.'s state-federal fragmentation to China's state-led model and sandbox-driven approaches in the Gulf and Asia. Target high-potential regions to pilot solutions, access more permissive frameworks, and scale globally with compliance optionality.

- **Invest in interoperability:**

Smooth value transfer is critical, encompassing both the bridge from legacy systems to new networks and connections across multiple blockchains. While the immediate priority may be connecting to a single blockchain, the broader ecosystem is not converging on one set of rails. Therefore, it is crucial to adopt bridge technologies and develop multichain strategies now to avoid fragmented liquidity and scale constraints later.

- **Design digital money systems for crisis resilience:**

Design with crisis in mind—cyberattacks, liquidity shocks, and systemic risk. Ensure failover protocols, sovereign fallback, and robust risk governance are in place.

1 The Rise of Digital Money

1.1 The Coexistence of Different Forms of Digital Money

Current examples include:

- **Global enterprises:**

Companies like Stripe have launched USD-denominated stablecoin accounts in over 100 countries, providing merchants with a plug-and-play alternative to traditional correspondent banking. Circle's Circle Payment Network (CPN) introduces programmable finality and access governance on top of USDC/EURC rails, signaling a shift towards network-based monetary systems.

- **Emerging Markets:**

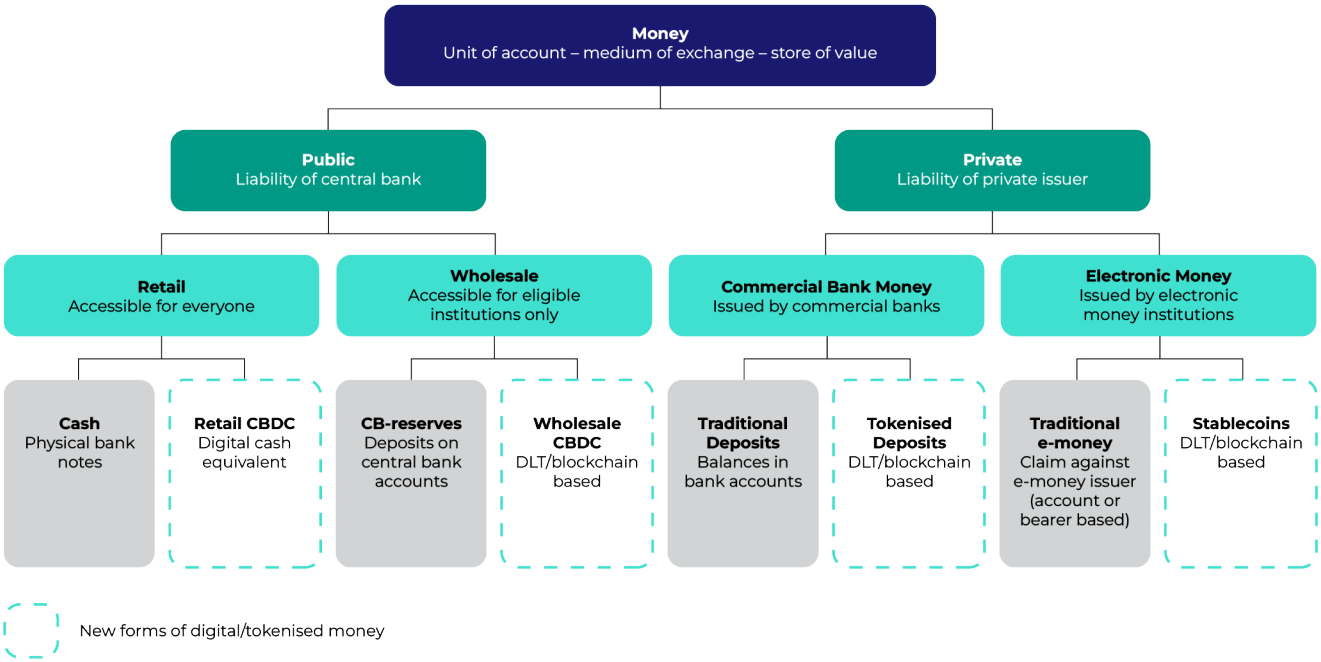
In the Philippines, the Social Security System (SSS) has integrated Tether's USDT for contributions. In Brazil, approximately 90% of crypto asset flows are linked to stablecoins, often for international money transfers (Reuters, 2024).

- **Financial Institutions:**

Financial institutions are exploring tokenized deposits to enhance real-time settlement and smart contract automation. These instruments offer the benefits of a blockchain-native form of money while maintaining compliance with existing regulatory frameworks.

While private sector initiatives are advancing rapidly, public sector projects like CBDCs are progressing at a measured pace. Wholesale pilots like Project mBridge have advanced to a minimum viable product stage (Bank for International Settlements, 2024), while Switzerland's Project Helvetia is concluding its latest pilot run (Swiss National Bank, 2023). Despite this progress, these public-sector initiatives have not yet moved to full-scale production, and most retail rollouts are still limited to trials.

Figure 1: Traditional forms of money and their digital counterparts
Adapted from Deutsche Bank (2023)[2]



Source: Deutsche Bank "CBDCs in Europe retail and wholesale projects to follow"
https://flow.db.com/cash-management/cbdcs-in-europe-retail-and-wholesale-projects-to-follow

1.2 The Geopolitical Competition for Attractive and Safe Stablecoin Regulation

Global competition to regulate stablecoins unfolds on two fronts: **yield control** and **market positioning**. Regulators may limit the issuing of yield for tablecoin holders to protect bank funding, while jurisdictions set the goals for regulators such as operational freedom and attract innovative players. This creates a regulatory landscape shaped by geopolitics.

In the **United States**, the GENIUS Act, passed the U.S. Senate on 17 June 2025 and is scheduled for a House vote during 'Crypto Week' in mid-July 2025, establishing a federal framework for dollar-backed stablecoins, prohibiting issuers from paying any interest or yield to holders and mandating strict reserve and disclosure requirements. . This framework is designed to reinforce the U.S. dollar's dominance in a programmable future. Its impact could be profound: analysts expect the Act to channel substantial capital into short-term Treasuries, expand on-chain dollar usage, and shift liquidity away from traditional banks.

The **European Union**, by contrast, enforces a far more conservative regime. Under MiCA, in effect from June 2024, stablecoins are prohibited from offering yield and significant ones must hold at least 60% of reserves in bank deposits to ensure banks remain integral to the monetary system. While this safeguards euro stability and limits the risk of "Eurodollarization," it also reduces the competitiveness of euro-denominated stablecoins and risks pushing European users toward U.S.-based alternatives.

The **United Kingdom** has opted for an innovation-first approach. Through the Financial Services and Markets Act 2023, it allows foreign-regulated stablecoins to be used domestically without additional licensing, provided they meet baseline FCA standards. This flexibility is drawing USD-backed stablecoin issuers to expand in London, enhancing sterling liquidity and helping the UK reclaim post-Brexit fintech leadership. This strategy was further cemented in June 2025 with the launch of the 'Supercharged Sandbox,' a program explicitly designed to fast-track cryptoasset firms and other fintech innovators into the UK market (Financial Conduct Authority, 2025).

In **China**, stablecoins remain tightly restricted. The government bans private issuers and promotes the central bank–issued e-CNY for both domestic and international use. This approach consolidates state control over monetary flows and capital accounts, but it also isolates China from the growing global stablecoin economy and limits RMB participation in decentralized trade networks.

Meanwhile, new hubs in **Asia and the Middle East** are competing to attract stablecoin business. Hong Kong is focused on safety, creating a highly regulated and stable environment for issuers, which it is testing through a dedicated sandbox. In contrast, the UAE is promoting flexibility to attract global firms, establishing a framework that is notably open to innovative models like yield-bearing stablecoins.

Other emerging markets like the Philippines, Brazil, and Turkey see rapid USD-backed stablecoin adoption as inflation hedges and remittance tools, often in regulatory grey zones. This improves access but carries risks without robust oversight.

Ultimately, stablecoin regulation is a tool of monetary strategy. Balancing control and innovation will shape global adoption.

Figure 2: Legal Frameworks for Digital Money (Source: Zühlke)

United States

No unified federal framework yet, but key developments include:

GENIUS Act
- **Passed the Senate** in **June 2025**
- Framework for **dollar-backed stablesoins**
- Covers issuance, reserves, governance
- Supports **private sector leadership** in programmable money

- State-Level Laws
- **New York**: BitLicense regime includes stablecoin rules
- **Texas, Florida**: Passed laws **banning CBDC use**, citing privacy/surveillance concerns
- **Federal Reserve**: Researching CBDC, cautious on retail version

Europe

European Union

MiCA (Market in Crypto-Assets Regulation)
- **In force since June 2024**
- Regulates **stablecoins** (termed "e-money tokens" and "asset-referenced tokens")
- **Strict licensing**, reserve requirements, and volume caps for non-euro-denominated tokens
- Goal: **preserve monetary sovereignty and limit eurodollarisation**
- **CBDC**: Digital euro pilot led by the ECB, regulatory groundwork laid for future rollout

United Kingdom

Financial Services and Markets Act 2023
- Passed in **June 2025**
- Recognises **stablecoins as digital settlement assets**
- Allows **foreign-regulated stablecoins** to operate **without local licensing**
- Focused on **promoting innovation and attracting issuers**
- No retail CBDC yet, but Bank of Englang is researching a **digital pound**

Switzerland

- Recognises **DLT-based payment tokens and securities** via **DLT Act (2021)**
- SDX (SIX Digital Exchange) legally operates **tokenised settlement** with central bank collaboration
- Strong regulatory clarity supports **tokenised deposits** and programmable money experiments

Asia Pacific

China

Digital RMB Framework
- **Most advanced CBDC deployment** (e-CNY)
- Operated by the **People's Bank of China**
- Intergrated into public transit, merchant payments, cross-border pilots
- No legal framework for **private stablecoins**—they are effectively **banned**

Singapore

Payment Services Act (2020, updated 2021)
- Requires licensing for **digital payment token services**
- MAS (Monetary Authority of Singapore) actively **supports stablecoin pilots** with regulatory sandboxes
- Exporing **wholesale CBDC** for interbank use

Hong Kong

- **e-HKD pilot** underway;focus on programmable retail CBDC
- Participates in **Project mBridge** and runs **Project Ensemble** to test tokenised deposits and DLT-based payments
- On **May 21, 2025**, the Legistrative Council passed the **Stablecoins Ordinance**, establishing a licnesing regime for stablecoin issuers
- Aims to be a **regional hub for tokenised finance** with strong international alignment

Emerging Markets

Philippines

- Supports **stablecoin-based remittances**
- Collaborations with **Tether** for social services (eg., SSS payments via TON)
- No formal legistration, but **pro-innovation stance** by central bank (ESP)

Brazil

- **Drex** (Digital Real) CBDC pilot in progress
- Central Bank recognises role of **stablecoins in remittances**, considering regulation for transparency

Turkey

- **Digital Turkish Lira** retail CBDC is in advanced pilot phase with banks and fintechs
- Focus on **programmabilitym digital ID integration**, and **interoperablitity**
- No formal stablecoin regulation yet, though **UDT is widely used** in crypto and remittances
- Regulatory posture is **cautious but innovation-friendly**, led by the central bank

Middle East

- USE leads with Digital Dirham pilot and is a core partner in Project mBridge and project Aber
- Regulatory sandboxes in Abu Dhabi and Dubai support tokenised finance and stablecoin pilots
- Saudi Arabia focuses on wholesale CBDC use, while Bahrain and Qatar explore tokenised remittances and trade finance
- The region is positioning itself as a cross-border tokenisation corridor, especially between Asia, Africa, and Europe

Source: Zühlke

1.3 Fragmented Rules, Fragmented Liquidity: The Risk of Regulatory Divergence

While jurisdictions race to position themselves strategically in the stablecoin economy, the lack of harmonization between them is creating systemic friction. Regulatory competition — outlined in the previous section — has benefits, but without coordination; it can undermine scalability. As roundtable participants also highlighted, **legal fragmentation can pose a great barrier to cross-border tokenized liquidity.**

In the **United States**, the passage of the GENIUS Act marks significant progress toward federal clarity. However, the U.S. still suffers from regulatory fragmentation: implementation varies across states, and several have passed legislation outright opposing central bank digital currencies. This fragmented oversight creates confusion for stablecoin issuers and hinders uniform adoption, particularly for institutions operating across multiple states - let alone global adoption.

The **European Union** has introduced clear, binding rules under MiCA, but these rules are highly restrictive. Transaction volume caps and reserve mandates for non-euro stablecoins, while designed to protect eurozone stability, significantly complicate cross-border flows. U.S. dollar–based stablecoins, widely used in emerging markets and institutional corridors, face limited usability in the EU, creating friction in otherwise global value chains.

The **United Kingdom** stands out for its openness, allowing foreign-regulated stablecoins to operate more freely domestically. However, this flexibility also creates **regulatory asymmetry**: domestic projects must comply with FCA oversight, while offshore issuers face lighter scrutiny. As a result, market participants face uneven levels of compliance and consumer protection.

China has taken a starkly different approach: it avoids regulatory fragmentation by design, banning private stablecoins entirely and consolidating control under the e-CNY. While this eliminates legal inconsistency domestically, it isolates China from cross-border stablecoin flows and limits interoperability with global tokenized financial infrastructure.

In **emerging markets**, the situation is less about conflicting regulations and more about **regulatory voids**. Countries like Turkey, Nigeria, and Argentina see widespread use of USD-backed stablecoins as a hedge against inflation and currency instability. Yet most lack comprehensive legal frameworks to govern these flows, exposing users to risks and leaving institutions hesitant to engage at scale.

The result is a growing risk of **liquidity fragmentation**. Without interoperable standards or mutual recognition agreements, digital forms of money remain trapped within national ecosystems. Stablecoins must be supported by **legal frameworks that speak to each other**. Regulatory competition is not inherently negative, but without coordination, it becomes a bottleneck.

2 The Influence of Digital Money on Capital Markets and Tokenized Assets

2.1 Digital Money and Tokenized Assets – merging digital money with on-chain capital markets

The convergence of digital money and capital markets is moving from concept to implementation. Institutions integrate digital money (stablecoins, tokenized deposits, wCBDC) into capital market infrastructure, allowing assets and cash to move on the same digital rails in real time with fewer intermediaries. This is enabled by on-chain settlement, where assets and payment are recorded and executed on DLTs. This facilitates atomic delivery-versus-payment (DvP), reducing counterparty risk and accelerating operations.

This transition is live, and some examples are listed below:

- In Switzerland, SDX supports on-chain digital bond issuance and settlement.
- In the EU, 21X is licensed under the DLT Pilot Regime for tokenized securities.
- JPMorgan's Kinexys platform uses JPM Coin for intraday repo settlement.
- Crypto exchanges like Kraken tokenize stocks and trade them against stablecoins
- Major payment networks are expanding stablecoin transaction capabilities. Mastercard is developing full-stack support, including wallet enablement with partners like MetaMask and OKX and merchant settlement with Nuvei and Paxos. Visa is integrating USDC into its settlement and cross border payment infrastructures through Visa Direct and is enabling programmable money via its Tokenized Asset platform.
- Asset managers like Franklin Templeton (Benji; tokenized money fund) and UBS (uMINT) are using tokenized cash to streamline fund operations, demonstrating how digital money can improve efficiency in asset management.
- Integration extends to business systems - SAP's Digital Currency Hub, for example, now supports USDC for enterprise financial operations.

Regulatory innovation is following, with supervisors opening doors to fully on-chain markets under strict compliance standards. The Point Zero Forum discussion was clear: digital money and **tokenized assets** converge and must evolve together. Trusted digital cash is vital for settling tokenized assets efficiently, and without capital market integration, digital money lacks broad utility. The future is a programmable financial system with embedded settlement, liquidity, and compliance.

Figure 3: Digital Money's Impact on Financial Services

	Retail	B2B	Banking
Payments	Frictionless consumer transactions, eg. crossborder remittance payments	Cross-border B2B payments via stablecoins	Near-real-time interbank settlements
Credit Markets	Lombard loans (in stablecoins) against crypto holdings like Bitcoin	Automated Credit Processes	Intra-day liquidity management
Capital Market	Micro investments at much lower processing cost	Just in time liquidity & treasury management	Using digital money as cash-leg in trading and settlement

Source: Stefan Grasmann Keynote Future of Finance, delivered at University St Gallen, HSG, May 2025
https://hsgalumni.ch/de/veranstaltungen/detail/?id=8701c2b5-5dda-ef11-9b53-a3cd253bd775

2.2 The battle for the best settlement platform

A contest is unfolding over the dominant settlement layer for digital assets. This is an implementation challenge across sovereign CBDCs, tokenized bank money, fintech stablecoins, and decentralized protocols, each with distinct governance and trade-offs. The result is a fragmented landscape where architecture redefines trust, scalability, and programmability.

Central banks are advancing wholesale CBDC pilots like mBridge and Project Jura, which aim to settle interbank flows with cross-border atomicity. Commercial banks are rolling out tokenized deposits through platforms like JPMorgan's Kinexys, enabling intraday repo and liquidity management with programmable cash. More ambitiously, the BIS's Project Agorá is now exploring how wholesale CBDC and tokenized commercial bank deposits can be combined on a single, unified platform, bringing together seven major central banks to design a new generation of financial infrastructure (Bank for International Settlements, 2024). Fintech-driven stablecoin networks (e.g. Circle CPN and Stripe's USDC rails) are expanding rapidly across borders, offering programmable payments without relying on correspondent banking. Meanwhile, decentralized platform like Polymesh and Chainlink are emerging as settlement layers for tokenized securities and hybrid transactions, pushing governance innovation into protocol design. Finally, interoperability networks such as Chainlink CCIP, Adhara's Trigger, and the Canton Network are attempting to bridge these ecosystems with real-time, cross-chain atomic settlement.

As shown in the summary table, we can distinguish between seven settlement layers. Each is optimized for different use cases and legal frameworks, but none offer universal reach yet. The strategic question right now revolves around who owns the "rails" it moves on and how those rails interconnect.

In many cases, resolving privacy issues , remains a strong and often unresolved concern for a broader adoption in capital markets, which is a major decisive factor behind settlement layer choice. E.g a governmental entity using a retail CBDC solution has concerns about resorting to private third-party solutions due to security reasons.

Settlement	Type	Examples	Governance	Use Case
Retail CBDC	Sovereign (Public)	e-CNY, Digital Euro (pilot)	Central banks	Retail Payments (consumer)
Wholesale CBDC	Sovereign (Public)	mBridge, Project Jura	Central banks	Interbank Settlement
Unified Ledger	Public-Private	Porjecy Agorá	Central banks & Commercial banks	Intergrated cross-border payments and
Tokenised Deposits	Commercial (Private)	JPM Coin, Kinexys, SDX, JPMD	Commercial banks	Corporate treasury and
Stablecoin Networks	Commercial (Private)	Circle CPN, Stripe USDC rails	Fintech companies, banks, bank consortia	Retail Payments (cross-border)
Public Blockchains	Decentralised	Ethereum, Chainlink, Polymesh	Open source / DAOs / blockchain foundations	Defi and Tokenised assets
Interoperability Layers	Hybrid	Chainlink CCIP, Adhara Trigger, Canton	Mixed consortia or single vendors	Tokenised security settlement

2.3 Cross-chain settlement

We're witnessing real-world implementation of cross-chain settlement. Sometimes, the money leg of a trade (e.g. a stablecoin on a public chain) might live on a different blockchain than the asset leg (e.g. on a restricted permissioned chain). Financial institutions are now integrating stablecoins and tokenized assets into daily operations, using interoperability protocols to transfer value across otherwise isolated ledgers. Roundtable participants agreed that 2025 marks a clear turning point: institutions are moving beyond experimentation and into deployment. According to Binance's May 2025 institutional report, 90% of surveyed firms are already using, testing, or preparing to integrate stablecoins into payments, treasury functions, or capital markets infrastructure (Binance Research, 2025).

Live implementations highlight the pace of this shift, for example:

- JPMorgan's Kinexys network just proved it can swap a tokenized U.S. Treasury asset for cash in one instant, using Chainlink's cross-chain tech to link its private system to a public blockchain.
- Mastercard's integration with MoonPay now allows USDC to be spent at over 150 million merchants globally, with real-time fiat conversion at the point of sale.
- Stripe has launched developer-facing neobank accounts that support stablecoin transactions in over 100 countries, enabling fintechs to build financial products without relying on domestic correspondent banks.

Roundtable participants stressed that the next challenge is operational maturity. Interoperability must be assessed based on reliability, latency, and institutional volume — not just technical feasibility. To support liquidity at scale, cross-chain bridges need governance, legal clarity, and resilience against systemic risk. Without these foundations, digital money will remain fragmented. But where secure, compliant bridges are in place, digital assets can move seamlessly across platforms, enabling more efficient and globally connected financial markets.

3 Geopolitical Challenges and Global Headwinds

3.1 The fight for the dominant world currency

The global fight for currency dominance is being redefined by the core tension between three models: the U.S. promoting its privately-issued dollar stablecoin ecosystem, the EU defending the euro's sovereignty with regulation, and China advancing its state-run e-CNY.

These dynamic forces other nations to align their strategies in response. Some, like Japan and Switzerland, are protecting their own financial ground with highly regulated, domestic-focused frameworks for institutional settlement (Reuters, 2023; Swiss National Bank, 2023).

In contrast, the UK, Hong Kong, and the UAE are pursuing a different path. Instead of fighting the dollar's digital expansion, their strategy is to become indispensable gateways for it. By creating flexible, regulated hubs for global capital, they aim to attract the massive international flow of dollar-backed stablecoins, reinforcing the dollar's reach while cementing their own roles as key financial intermediaries (U.K. Parliament, 2023; Hong Kong Monetary Authority, 2024; ADGM Financial Services Regulatory Authority, 2023).

3.2 Designing Digital Money for crisis

Resilience has become a design imperative, and it cannot and should not be ignored in preparation for potential crises. In an era marked by geopolitical conflict, cyberattacks, and financial system shocks, digital money systems must be built to withstand disruption. Roundtable participants also emphasized that without proper safeguards, these systems risk becoming liabilities in moments of crisis (e.g. during war scenarios) rather than tools of stability.

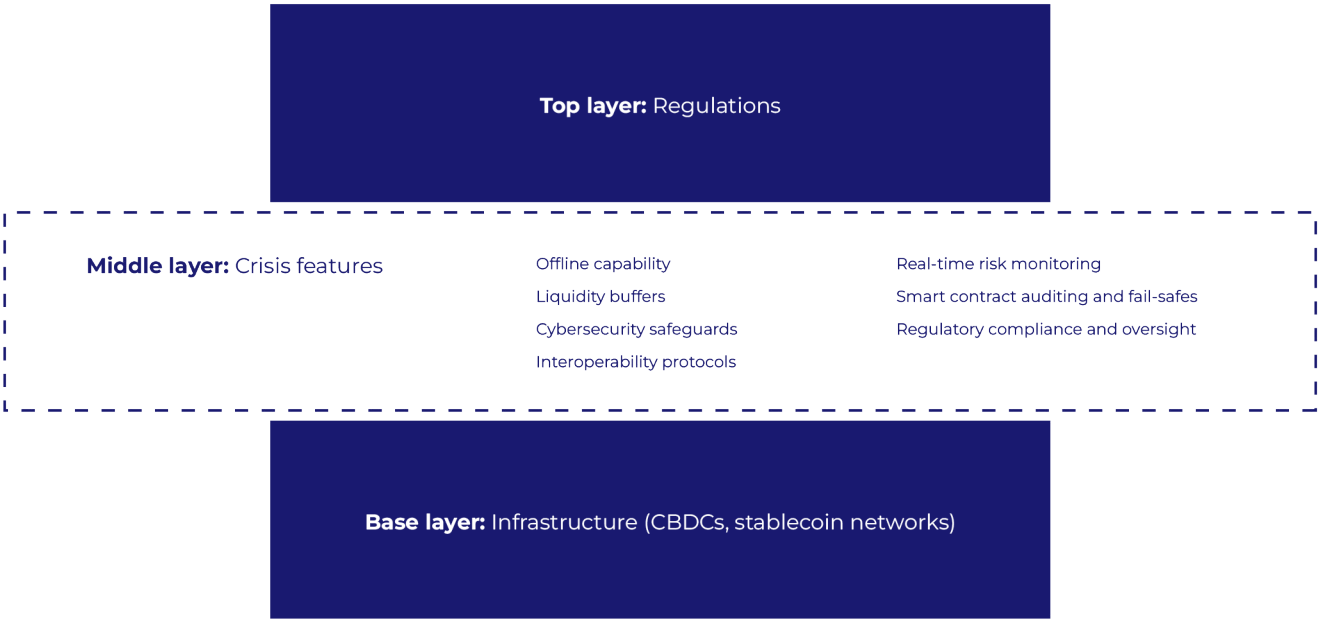
Central banks are actively preparing for these scenarios. The BIS has published a detailed framework under Project Polaris to ensure central bank digital currencies (CBDCs) can operate offline, even during power outages or network disruptions *(Bank for International Settlements [BIS], 2023)*. The European Central Bank is testing battery-powered smart cards for the digital euro to maintain functionality during blackouts *(European Central Bank [ECB], 2024)*. In Northern and Eastern Europe, governments are developing an offline fallback system for essential retail payments that can operate for up to a week if internet services are disabled, reflecting heightened concerns over hybrid threats in the region *(Reuters, 2025)*.

In the U.S., privacy and political risk have taken center stage. The proposed No CBDC Act would prohibit the Federal Reserve from issuing a retail CBDC, citing surveillance and civil liberties concerns. Meanwhile, in Europe, the Digital Operational Resilience Act (DORA) expands continuity and incident-response requirements for crypto and tokenized asset service providers.

Under the GENIUS Act (Senate) and draft STABLE Act (House), U.S. stablecoin issuers must keep 1-for-1 reserves in segregated, insured accounts (or short-term Treasuries) and publish monthly independent proof-of-reserve attestations, with internal daily reconciliations to manage liquidity. These rules are designed to ensure fast, reliable redemption—even in a financial crisis. After the collapse of Silicon Valley Bank in 2023, industry discussions have also focused on diversifying custody and avoiding single points of failure, particularly for reserve assets.

In its June 2025 targeted update, the FATF urged countries to enforce the Crypto Travel Rule on cross-border stablecoin transfers and encouraged real-time blockchain analytics to spot illicit flows, but it stopped short of mandating a particular monitoring tool. Overall, it is clear that designing for resilience has now become a baseline requirement for any digital money system aiming to scale securely and globally.

Figure 4: Crisis Features to Secure the Digital Money System



Source: Zühlke

4 Conclusion

The panel discussion at the Point Zero Forum and subsequent research made one thing crystal clear: digital money is not a future concept anymore, but is instead in an active, accelerating transformation phase. CBDCs, stablecoins, and tokenized deposits are now being deployed in real-world financial systems, reshaping everything from cross-border payments to capital markets infrastructure. But as the discussion also highlighted, this momentum is bringing new risks. Regulatory divergence, fragmented platforms, and intensifying currency competition are emerging as key challenges that must be addressed.

Looking ahead, three priorities stand out.
First, **interoperability** must be a core design feature. Without it, digital money will remain siloed, limiting scale and efficiency. Second, **resilience** must be built into the system from day one. As the panel emphasized, these systems must function not just in normal times but under stress, e.g. during war, cyberattacks, and liquidity shocks. Third, **regulatory diversity** should be used strategically. Jurisdictions don't need to converge, but they must coordinate enough to avoid systemic friction.

The choices made now, by both public and private actors, will determine whether digital money becomes a unifying layer for global finance or a new source of fragmentation. The shift is already underway. The challenge is to ensure it moves in the right direction.

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