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ANCHORED TO WHAT? PAYMENT STABLECOINS AND THE CENTRAL BANK BALANCE SHEET

by Giuseppe Ferrero*

Abstract

Payment stablecoins reopen an old question in a new form: whether privately issued money, once it promises redemption at par, can remain safely anchored outside the central bank balance sheet. The answer depends on distinctions that are often compressed into a single question of ‘access’: direct versus indirect anchoring; the liability versus the asset side of the central bank balance sheet; access versus obligation; and the backing of a token versus the actual timing of convertibility. This paper uses these distinctions to compare the EU’s MiCAR, the US GENIUS Act and the Bank of England’s regime for systemic sterling stablecoins. It does not argue for one model over the others. Its aim is narrower: to clarify what each model makes safe, what it leaves to markets and intermediaries, and where the remaining fragilities may lie.

JEL Classification: E42, E58, G21, G28.

Keywords: stablecoins, central bank money, payment systems, singleness of money, convertibility, monetary policy implementation, financial regulation.

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1. Introduction¹

Payment stablecoins are usually introduced as a technological innovation. The description is accurate, but incomplete. New ledgers, decentralised transfers, programmability and lower frictions in cross-border payments are all part of the story. Yet they do not exhaust it. The more relevant point for central banks is that stablecoins aspire to be money-like private liabilities.

They promise to maintain a stable value against sovereign money, as bank money and electronic money do. Unlike conventional bank deposits and e-money, however, they can be transferred between holders without every transfer being recorded on a centralised account ledger. This is the feature that brings them closer to what economic historians call “*market-based money*”: private claims, such as bills of exchange and banknotes, that circulated by endorsement or delivery rather than by moving across deposit accounts.² Stablecoins share that family resemblance: they are private, transferable, bearer-like, and they circulate outside the traditional bank deposit ledger.

That transferability, however, is not sufficient to make a financial claim a new form of money. A transferable private claim can circulate, but it becomes money-like only if its transfer is generally accepted as final discharge of the payer’s obligation (*finality*) and if it is accepted at par with other forms of money denominated in the same unit of account (*singleness*). This is where settlement and the legal architecture of payments enter the picture. In the modern monetary system, finality is ultimately anchored in the legally recognised settlement mechanism.³

This is why the question of access to the central bank balance sheet matters. It is not just a matter of reserve assets or access criteria: at stake are the architecture of money, its market price, the singleness of money, and the place of the central bank balance sheet in a digital monetary system.

The regulatory obligation to redeem stablecoins at par serves a specific purpose: preserving the singleness of money. One token should be worth one unit of sovereign money, at par and on demand, with redemption into funds denominated in the same unit of account — in commercial bank money or, where the framework provides it, central bank money. This design feature is now common to the main regulatory regimes: MiCAR for e-money tokens in the EU,⁴ the GENIUS Act for US payment stablecoins,⁵ and the Bank of England’s proposed regime for systemic sterling

¹ The views expressed in the article are those of the authors and do not involve the responsibility of the Bank of Italy

² Ugolini (2017) distinguishes bank-based from market-based payment systems; the classic statement of the two historical paths to cashless payment, negotiable instruments versus bank giro, is Van der Wee (1977). On stablecoins as the modern form of privately produced circulating money, see Gorton and Zhang (2023).

³ Bank for International Settlements (2023), notes that the central bank “ensures the finality of payments through settlement on its balance sheet” and that “settlement in central bank money ensures the singleness of money and payment finality”; see also Garratt and Shin (2023) on bearer stablecoins, par deviations and the role of central bank money settlement in preserving singleness.

⁴ Regulation (EU) 2023/1114 on markets in crypto-assets (MiCAR), OJ L 150, 9 June 2023, especially Titles III and IV. The revision distinguishes EMTs and ARTs because their redemption and reserve mechanisms are not identical under MiCAR.

⁵ Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act), Pub. L. 119-27, 18 July 2025. The Act lists eligible reserve assets for payment stablecoins, including balances at a Federal Reserve Bank where available; this is not the same as granting non-bank issuers an automatic Federal Reserve master account.

stablecoins in the UK.⁶ The legal mechanisms differ, but the starting point is the same: par redemption.

What differs across jurisdictions is how the promise is anchored. It can be anchored in two ways. One possibility is *indirect anchoring*: issuers hold claims on commercial banks, and commercial banks in turn have access to central bank money. The alternative is *direct anchoring*: the issuer holds central bank money itself.⁷ That may strengthen the redemption promise, but it also moves the boundary between public and private money. The question is one of necessity: must the issuer hold central bank money directly for one-to-one convertibility to be credible, or does indirect anchoring suffice?

A second question arises on the other side of the balance sheet. If a stablecoin issuer faces large redemptions and cannot monetise its assets without fire sales, should it also have access to central bank liquidity? Here the concern is crisis liquidity rather than backing, and it raises a different set of issues: moral hazard, central bank counterparty risk, consistency with the treatment of other non-banks, and expectations of lender-of-last-resort support.

A third question concerns sufficiency. Even if a direct link to central bank money were judged necessary, it would not automatically make par convertibility operationally robust. A token may be backed by safe assets and still trade away from par if redemption is not immediate, predictable and available to the holders who need it.⁸ Backing and convertibility are therefore related, but not the same issue.

The paper takes no position on which model is preferable; its aim is to set out the distinctions on which any such judgement must rest: between direct and indirect anchoring, between the liability and the asset side of the central bank balance sheet, between access and obligation, and between the backing of a token and the timing of its convertibility. The paper proceeds in four steps: a historical perspective on market-based and bank-based money (Section 2); the functions of central bank reserves and their relevance for stablecoin issuers (Section 3); the pros and cons of granting access, and the distinct question of how par convertibility is actually sustained (Section 4); and three case studies: the EU, the US and the UK (Section 5). Section 6 concludes.

⁶ Bank of England (2026) and accompanying press release. The 2026 framework requires systemic sterling stablecoin issuers to hold at least 30 per cent of backing assets in unremunerated Bank of England deposits and permits up to 70 per cent to be held in short-term sterling-denominated UK government debt securities. It also introduces a temporary issuance guardrail and confirms the Bank's intention to introduce a central bank liquidity facility for eligible, solvent and viable systemic issuers.

⁷ For a similar formulation of central bank money as the anchor of a two-tier monetary system extending into tokenised and digital instruments, see Panetta (2026b), noting that central bank money remains the system's ultimate settlement asset within a "resilient two-tier monetary system"; and Cipollone (2026), on tokenised central bank money as a "trusted common anchor" for private settlement assets, including tokenised deposits and stablecoins.

⁸ In the EU, MiCAR is a case in point. Article 49 of Regulation (EU) 2023/1114 requires the issuer to redeem the token, on the holder's request, "at any time and at par value", yet sets no quantitative deadline for execution; the timing of redemption is not fixed by the regulation but only disclosed, since Article 51(1)(d) and Annex III require the white paper to describe the rights and obligations attached to the token, including the conditions and procedure for redemption, while recovery and redemption plans (Article 55) may impose caps or temporary suspensions in stress. In practice, the disclosed redemption windows of euro-denominated EMTs range from same-day settlement to several weeks.

2. A historical perspective: market-based money and bank-based money

For present purposes, the historical record can be organised around two broad ways of connecting private payment instruments to the core that guarantees finality. Ugolini (2017) describes them as *market-based* and *bank-based* payment systems; Bindseil (2019) shows how early public banks emerged to provide the settlement asset that the bank-based approach required.⁹

In the *market-based system*, payments are made through transferable private instruments: historically bills of exchange and, later, private banknotes. These instruments circulated outside the books of banks, passed from one holder to another by endorsement or delivery, traded in secondary markets, and were used without a new settlement entry in central bank money at each transfer. The legal precondition was negotiability: from the Antwerp custom codified in Charles V's edicts of the 1530s–40s, the holder in due course acquired a claim protected against prior defects of title. This was an early example of the law deliberately strengthening the usability of a private instrument as a means of payment. In this respect, it has some analogy with modern stablecoin regimes, which also seek to support transferability and par redemption through law.¹⁰

This market-based logic could be useful. It supported trade, reduced frictions and made payments more flexible. But it also had a structural weakness: trust was not automatic. When private money circulates widely, users must be confident that one unit is always worth one unit. They must not have to ask which issuer stands behind it, apply a discount, or worry about whether the backing assets can be sold in time. Once those doubts arise, singleness is weakened; and when singleness is weakened, money no longer performs its function properly.

In the *bank-based system*, payments are made through accounts. Deposits are transferred across bank books; interbank positions are cleared; final settlement takes place in the books of a central institution. This route also had an early and concrete institutional form. Public giro banks were created to provide merchants with a stable settlement asset on a central ledger, precisely because privately circulating paper could not reliably sustain par value at scale.¹¹ Venice and Amsterdam are the clearest examples.¹² Bank money on their books traded at a premium over circulating coin, and the Amsterdam bank guilder became a reference unit in European finance. The market itself priced the superior quality of money settled on a public ledger.¹³

The two systems, however, did not remain separate. They interacted. And, on several occasions, market-based money was drawn back towards a bank-based core. Early modern authorities made bills of exchange compulsorily “payable in bank” – Venice (1593), Amsterdam

⁹ Bindseil (2019).

¹⁰ On the Antwerp custom and the imperial edicts of the 1530s–40s see Van der Wee (1963) and Ugolini (2017).

¹¹ Municipal giro banks of the early modern period include the Taula de Canvi of Barcelona (1401), the Banco di Rialto in Venice (1587), the Amsterdam Wisselbank (1609), the Hamburger Bank (1619), the Banco di San Giorgio in Genoa.

¹² On this institutional trajectory – Florentine merchant banking, the Venetian giro system and Banco di Rialto, and Genoa's Banco di San Giorgio, whose functions are described as “comparable to those of today's central counterparties” – see Panetta (2025).

¹³ Bindseil (2019); see also Quinn and Roberds (2014) on the Bank of Amsterdam and the agio on bank money.

(1609), Hamburg (1619), Genoa (1675).¹⁴ The aim was not to create transferability, which these instruments already had. It was to strengthen finality, par value and general acceptability once private paper had become widely used.

Seen in this light, the recurring pattern is clear. Transferable private instruments could support trade, but decentralised circulation alone proved a weak basis for trust once those instruments became widely used. Public authorities therefore did not simply replace private money; they anchored it. Settlement of the dominant private instruments was drawn onto a public ledger. The modern two-tier system follows the same logic: central bank money provides the ultimate settlement asset, while private money circulates at par because it remains convertible into it.

The historical movement towards a public core did not take a single form. In some cases, the link was direct. The relevant instruments were settled on the books of the public bank itself, and the users whose payments mattered for trade held accounts there. This was the logic of the “payable in bank” rule: Venice in 1593, the Amsterdam Wisselbank in 1609, with its monopoly over large settlements, and later Genoa’s Banco di San Giorgio. Direct access, however, was not universal access. It was limited to the merchant community whose instruments dominated circulation. Nor was it always easy to impose. Barcelona’s attempt to require settlement at the Taula in 1446 was contested by the Crown and produced little lasting effect.

In other cases, the link to the core was indirect. The instrument did not settle on the public bank’s books. It reached the settlement asset through private banks that held accounts there. This indirect form also varied across countries. In nineteenth-century England, it emerged largely through the market: private banks and the London discount market settled around the Bank of England as the holder of the system’s reserve. In France, it was built more deliberately by the public bank itself, as the Banque de France developed a national network of branches and correspondents through which interregional payments could be cleared. In the United States, by contrast, the core remained private for much longer. National banknotes were made uniform by federal regulation, but reserves were pyramided on New York banks and clearinghouses, which even supplied liquidity in crises through clearing-house loan certificates. Convertibility could therefore coexist with monetary instability; recurrent panics were eventually what made a public core unavoidable.

This also explains why access to the settlement core remained restricted. Banks kept exclusive access to wholesale interbank clearing. Other payment providers had to reach finality through them. In modern terms, this is the historical form of indirect anchoring. It also helps explain the emergence of lending of last resort. If the core is one tier removed from most users, the stability of the system depends on the banks through which payments settle. The central institution must therefore be able, in stress, to lend to those banks. The need was most visible where the core itself was private, as in the United States, and the eventual response was the creation of a public backstop.¹⁵

¹⁴ Ugolini (2017), ch. 2; Bindseil (2019). The “payable in bank” mandates required settlement of bills of exchange on the books of the public bank: Venice (1593), Amsterdam (1609), Hamburg (1619), Genoa (1675).

¹⁵ Ugolini (2017), ch. 2 on the “payable in bank” mandates and the contested Barcelona attempt (1446), and on the nineteenth-century alternatives: the Banque de France’s branch network and the Bank of England as reserve-holder; ch. 4 and 5 on the United States as a hybrid case in which convertibility coexisted with monetary instability, its private

This history does not translate mechanically into the present. The instruments drawn towards the core did serve as means of payment; that is why they belong to the history of market-based money. But they remained, at base, credit instruments: claims on a particular obligor, usually payable at a future date, transferred with recourse along a chain of endorsers, and discounted for credit and term. Their value could therefore diverge from par for reasons intrinsic to the instrument itself.

Before turning to payment stablecoins, it is useful to place electronic money in the same framework. E-money is not bank money, because it is issued by non-bank institutions. But it is not market-based money in the historical sense either. It is normally a single-issuer, ledger-based claim, circulating within the books or scheme of the issuer rather than as a bearer instrument freely circulating across markets. Its link with the two-tier system is indirect: not access to central bank reserves at each transfer, but a legal obligation to redeem at par, supported by safeguarding and reserve requirements. The issuer is made safer by narrowing its balance sheet, not by giving it the full privileges of a bank.¹⁶

Payment stablecoins can now be located more precisely. Their legal ancestry is e-money: they promise redemption at par and are backed by a narrow portfolio of safe and liquid assets. Their economic form, however, brings them closer to the market-based tradition. They may circulate as transferable, potentially bearer-like tokens on digital networks, outside both the account-based structure of bank deposits and the closed-loop structure of conventional e-money.

This does not make stablecoins the new bills of exchange. Bills were credit instruments; stablecoins are designed to be money-like instruments promising conversion at par. But the analogy remains useful because it points to the same institutional question. When private money becomes transferable and widely used, is indirect anchoring through commercial bank money enough? Or does systemic-scale token money require a more direct link to central bank money — a modern version of “payable in bank”?

The historical record therefore frames the question rather than answering it. It shows that widely circulating private money has often required a public anchor to preserve trust at scale. It does not show that today’s combination of par redemption and narrow backing is necessarily too

core resting on the New York reserve pyramid and the clearinghouses (on the latter's quasi-central-bank role, including clearing-house loan certificates, see also Timberlake 1984); and ch. 3 on the principle that non-bank payment providers reach finality only through banks, and the resulting emergence of lending of last resort. The direct/indirect-anchoring vocabulary is applied here to Ugolini's bank-based/market-based typology. On the early public banks as settlement institutions, see also Bindseil (2019).

¹⁶ The notion of “e-money”, or “electronic money”, is a legal category in the EU and the UK, without a unitary US counterpart. In the EU, Article 2(2) of Directive 2009/110/EC (EMD2) defines it as electronically stored monetary value, represented by a claim on the issuer, issued on receipt of funds for the purpose of making payment transactions. It may be issued by electronic money institutions or credit institutions and must be redeemable at par on demand (Art. 11). Its “narrow” character follows from three features: the issuer may not grant credit out of the funds received in exchange for e-money; those funds must be safeguarded and invested only in secure, low-risk assets; and holders may not receive interest or any other benefit linked to the length of time during which the e-money is held (Arts. 6, 7 and 12 EMD2). The UK Electronic Money Regulations 2011 follow the same broad approach. In the United States, by contrast, comparable stored-value or prepaid instruments are governed through a combination of state money-transmitter laws, federal AML rules and consumer-protection requirements, rather than through a single e-money regime.

weak to do so without direct access to the central bank. That is the question the rest of the paper examines.

3. The four functions of central bank reserves and their relevance for payment stablecoin issuers

Central bank reserves perform more than one role in the monetary system. They are the final settlement asset for payments in bank money; the safest and most liquid asset in the system; the basis of the central bank's liquidity backstop; and the first link in monetary policy implementation and transmission. These functions are often treated together. But for payment stablecoin issuers the question "does the issuer need reserves?" has a different answer depending on the function reserves are expected to perform: settlement, backing, liquidity support, or monetary policy implementation.

3.1. Reserves as final settlement asset

For payments in bank money, reserves are the final settlement asset. Bank deposits are account-based money. When a payment moves deposits from one bank to another, the resulting interbank position must be extinguished, and it is extinguished in central bank money. This is what allows bank money to remain private and still circulate at par.

Payment stablecoin issuers do not use reserves in the same way. A bearer-like token can move from one wallet to another without creating a new interbank position at each transfer. In that sense, the settlement function does not by itself create a need for direct access to central bank reserves. Reserves may still matter at the edges of the stablecoin system, when tokens are issued or redeemed, when the fiat leg of a transaction is settled, or when platforms settle among themselves. But this is different from the role reserves play for banks. For the circulation of the token itself, reserves are not primarily a settlement asset.

3.2. Reserves as the safest and most liquid asset

The case becomes sharper when reserves are considered not as a settlement asset, but as a backing asset. Central bank reserves sit at the top of the liquidity hierarchy. They are already money, they carry no private credit risk, and they do not need to be sold or repoed in order to be used. Other high-quality liquid assets may be safe and liquid, but their liquidity is indirect: they are useful because they can be converted into money when needed.

This distinction matters because payment stablecoins are increasingly regulated as narrow instruments: redeemable at par, backed by high-quality liquid assets, and expected to meet redemptions also in stress. But not all liquid assets support that promise in the same way. Banknotes are central bank money, but they are not suitable for large-scale digital reserve management. Bank deposits are liquid, but they are claims on commercial banks. They introduce counterparty risk, create concentration risk, and may transform stablecoin reserves into large, uninsured and potentially volatile wholesale deposits. The March 2023 episode is instructive: when

Silicon Valley Bank failed, USDC, which held part of its reserves there, temporarily broke the peg. A bank failure became a stablecoin depeg.¹⁷

The link can also run in the other direction. Deposits placed with banks by non-bank stablecoin issuers may themselves be treated as unstable funding under liquidity regulation, weighing on banks' liquidity ratios and changing the composition of their liabilities.¹⁸ Government securities avoid bank counterparty risk, but they are not money. They may need to be sold or repoed; their price can move; market liquidity can weaken; and these frictions tend to matter most when confidence is already fragile. A Treasury bill is a claim on the fiscal sovereign, not central bank money. It reaches finality only through conversion.

This is where the argument for liability-side access is strongest. If systemic payment stablecoins must be redeemable at par even under stress, holding some central bank money directly may make the redemption promise more credible. But the same concern can also be read differently: as an argument for stricter rules on the composition, liquidity and concentration of permitted backing assets, without extending the central bank balance sheet to new counterparties. The function of reserves as the safest asset therefore identifies the trade-off; it does not resolve it.

3.3. Reserves as the system's liquidity backstop

Reserves also matter because the central bank balance sheet is the system's liquidity backstop. In stress, the central bank can expand (elastically) the supply of the settlement asset against eligible collateral and prevent liquidity spirals from becoming self-reinforcing. This is the logic of lender-of-last-resort operations: when private liquidity evaporates, the central bank can create (elastically) the money in which the system settles.

For stablecoin issuers, this point has two distinct implications. The first concerns the liability side of the central bank balance sheet. If a meaningful share of a stablecoin's backing is held in reserves, the issuer is less dependent on market liquidity in stress. It does not need to sell securities or withdraw large deposits from commercial banks precisely when markets and banks may be under pressure. Safer backing ex ante can therefore reduce the likelihood that public support is demanded ex post.

The second implication concerns the asset side. Holding reserves does not make the central bank a lender of last resort to the issuer. An account at the central bank and a right to borrow from the central bank are different things. Liability-side access changes the composition of the issuer's backing; asset-side access creates a credit relationship with the central bank. The two decisions should therefore be kept conceptually separate.

3.4. Reserves and monetary policy implementation and transmission

Finally, reserves are the first operational link in monetary policy. The central bank steers short-term rates through the supply, remuneration and distribution of reserves. Operational frameworks are designed around the demand for reserves by banks, and policy then transmits through money markets, bank funding costs and credit conditions.

¹⁷ Gorton, Klee, Ross, Ross and Vardoulakis (2025) for stablecoin run-risk and peg-stability mechanisms.

¹⁸ See Wang (2025) for the deposit-composition, funding-cost and credit-supply channels.

From the issuer’s perspective, this function does not create a direct operational need to hold reserves. A stablecoin issuer does not need central bank reserves in order for monetary policy to be transmitted. The relevance is instead systemic and incentive-based. If stablecoin issuers were allowed, or required, to hold central bank balances, their demand could become a new component of aggregate reserve demand. Its size and volatility would depend on the scale of stablecoin adoption, the design of access, and especially the remuneration of those balances.

This is why the monetary policy dimension belongs to the design of access rather than to the issuer’s own settlement needs. Optional access to unremunerated balances may generate little demand in normal times and a sudden increase in stress. Mandatory holdings would make reserve demand more predictable, but also structurally larger. Remunerated balances would change the economics of stablecoin issuance more deeply, with possible implications for bank deposits, money market rates and the boundary between private and public money. These questions are taken up in the following section.

4. Weighing access through the functions of reserves

The previous section showed that reserves may matter for stablecoin issuers for different reasons. They may be relevant as a settlement asset, as the safest backing asset, as a source of liquidity in stress, or through their implications for monetary policy implementation. The assessment of access to the central bank balance sheet must therefore start from a more precise question: access to what function of reserves?

That question immediately leads to a second one: access to which side of the central bank balance sheet? If reserves are meant to support the backing of the token, the issue is liability-side access. The issuer would hold central bank money, typically in a reserve or settlement account. If reserves are meant to provide liquidity in stress, the issue is asset-side access. The issuer would borrow central bank money, typically through a contingent, collateralised backstop. The first changes the composition of the issuer’s assets. The second creates a credit relationship with the central bank.

A further distinction is between access and obligation. Access is a faculty: the issuer may open an account and hold balances. An obligation is a requirement: a minimum share of the backing must be held at the central bank. The two are often compressed into the same question — whether issuers should have access to the central bank balance sheet — but they are not equivalent.

This distinction matters because access alone does not guarantee anchoring. If central bank balances are unremunerated, or remunerated below alternative eligible assets, a profit-maximising issuer has little reason to hold them in normal times.¹⁹ Demand may then be low when conditions are calm and rise only in stress, precisely when the stabilising value of central bank money is most

¹⁹ This follows from the economics of stablecoin issuance. Stablecoin issuers typically earn income from the return on the assets backing the tokens, while committing to maintain redemption at par. In models of stablecoin issuance, the issuer chooses the liquidity of its reserve portfolio so as to maximise profits subject to maintaining the peg; descriptively, reserve income is also a central component of the business model of major fiat-backed stablecoin issuers. See Gorton, Klee, Ross, Ross and Vardoulakis (2025).

needed. A mandate changes the arrangement. It turns central-bank-money backing from an option into a structural feature of the regime.

Remuneration completes the design. It affects whether balances are attractive to hold, how costly a mandate is for the issuer, and how far the instrument moves towards a privately issued claim backed by interest-bearing public money. The design question is therefore not simply whether issuers should have access to the central bank balance sheet. It is which function of reserves access is meant to serve; on which side of the balance sheet; as an option or an obligation; and under what remuneration.

4.1. Liability-side access

The strongest case for liability-side access follows from the second function of reserves: *their role as the safest and most liquid asset in the system*. If a meaningful share of a stablecoin's backing is held in central bank money, the promise to redeem at par becomes easier to believe. The issuer is less exposed to the failure of commercial bank counterparties and less dependent on the ability to sell or repo securities when market liquidity is strained. This does not eliminate run risk, but it changes its nature. Part of the backing is already money, rather than a portfolio of claims that must be converted into money precisely when confidence is fragile.

This matters especially if stablecoin reserves would otherwise be held mainly as bank deposits. In that case, one form of private money is backed by another form of private money. At small scale this may be acceptable. At large scale it becomes more problematic. It creates concentration risk, increases interconnectedness between stablecoin issuers and a small number of commercial banks, and may change the liability structure of those banks by replacing relatively stable retail deposits with larger and more volatile wholesale balances.²⁰

Liability-side access may also reduce the likelihood that the central bank is asked to intervene later. Safer backing ex ante can be a substitute for emergency support ex post. If the issuer already holds central bank money, or if a required share of its backing is held there, it is less likely to need liquidity support in a stress episode. The SVB episode is a reminder that, once a stablecoin has become sufficiently visible, stress can generate public-sector pressure even when no ex ante facility has been designed. That is why the composition of backing assets is not only a prudential detail. It is part of the crisis-management architecture.

The same feature, however, creates the main difficulty. Liability-side access changes the boundary between public and private money. A stablecoin backed by central bank reserves may be perceived as safer than a bank deposit. This may matter little in normal times, but it could matter greatly in stress. If confidence in banks weakens, households or firms may move funds into stablecoins backed by central bank money, amplifying deposit outflows, reducing banks' stable funding, affecting credit provision and altering monetary transmission through the banking system. The risk is not only that deposits leave banks. It is that bank funding becomes more wholesale, more concentrated and more sensitive to market conditions.

²⁰ See also Panetta (2026a), on the risk that stablecoin adoption at scale could amplify financial-stability risk through “digital run” dynamics, with particular concern for monetary sovereignty in smaller and less developed economies.

A second concern is the risk of creating a synthetic CBDC. If private issuers hold central bank balances and issue transferable tokens against them, the result may look like a publicly backed private money. It could resemble a CBDC in safety, but not in governance. It would be issued and distributed by private firms, not by the central bank, and would not necessarily reflect the public-policy choices normally associated with CBDC: holding limits, distribution rules, privacy standards, inclusion objectives or restrictions on commercial use. A related risk is one of perception. If the backing of a private token were placed entirely at the central bank, the public could conflate a private claim, which the central bank does not guarantee, with central bank money itself.²¹

The operational implications also depend on the design. Reserve accounts for stablecoin issuers would add a new component to reserve demand. That component could be large, volatile, stress-sensitive, and driven by secondary-market conditions or cross-border flows. Optional access to unremunerated balances may generate little demand in normal times and a sharp increase in stress. Mandatory holdings would make reserve demand more predictable, but also structurally larger. Remuneration at or near the policy rate would change the economics more deeply, because issuers could distribute a private token backed by interest-bearing central bank money. For monetary policy implementation, the relevant issue is therefore not access in isolation, but the combination of access, obligation and remuneration.

Finally, liability-side access raises a perimeter question. If stablecoin issuers are granted reserve accounts, other non-bank payment firms, e-money institutions, money market funds, financial market infrastructures or large technology platforms may ask why they are treated differently. If access is justified because the issuer creates money-like liabilities redeemable at par, the framework must explain which other entities with money-like liabilities do or do not qualify. Expanded access would therefore need to come with expanded obligations: supervision, transparency, operational resilience, recovery and wind-down planning, restrictions on risk-taking, and clear limits on the use of central bank money. Without such perimeter discipline, access to the central bank balance sheet could become a competitive privilege rather than a monetary-stability tool.

4.2. Asset-side access

Asset-side access follows from a different function of reserves: the central bank's role as liquidity backstop. Liability-side access allows the issuer to hold central bank money. Asset-side access allows it to obtain central bank money from the central bank. The first changes the quality of the backing. The second creates a credit relationship with the central bank. That is why the trade-off is sharper.

The benefit is clear. A stablecoin run could force the issuer to sell securities, draw down bank deposits or unwind repo positions quickly. These actions could depress asset prices, transmit stress to government bond and money markets, and put pressure on the banks holding issuer

²¹ The European Central Bank has cited this risk in explaining why it will not hold non-bank payment service providers' safeguarded or reserve funds at the central bank: depositing such funds there could conflate electronic money with central bank money in the public's mind and so distort perceptions of risk. See the Eurosystem policy and Decision (EU) 2025/222 discussed below in the analysis of the EU's indirect anchoring through the banking system.

deposits. A collateralised liquidity facility could limit these spillovers by allowing an otherwise solvent and viable issuer to meet redemptions without fire sales.

But the same facility changes incentives. It exposes the central bank to new counterparties. It may weaken market discipline. It may also create the expectation that non-bank issuers of private money will be supported in stress. That expectation is especially delicate because stablecoin issuers do not perform the same credit intermediation function as banks. Extending central bank credit to them would therefore expand the safety net beyond its traditional perimeter.

This is why asset-side access cannot be treated as the natural counterpart of liability-side access. It is not a reserve account. It is credit. If provided at all, it would need to be exceptional, collateralised, priced appropriately, limited to solvent and viable systemic issuers, and embedded in a framework that preserves incentives for prudent liquidity management. It should also remain clearly distinct from the backing question. Holding central bank money is not the same as having a right to borrow it.

4.3. What access can and cannot secure: backing versus convertibility

The discussion so far has focused on the quality of the backing. This is the dimension on which access to the central bank balance sheet has the most direct effect. If part of the backing is held in central bank money, private counterparty risk is reduced and liquidity is strengthened. But the promise of par has another dimension. It is not enough to ask what stands behind the token. One must also ask how, when, with what degree of certainty, and by whom the token can be converted back into money.

This matters because payment stablecoins are transferable instruments, not conventional account-based claims. In an account-based system, the holder's claim is recorded with the issuer or with an intermediary, and redemption is the natural channel through which doubts about the claim are resolved. A transferable token is different. It may be held and traded by users who do not have a direct redemption relationship with the issuer. Even where regulation clearly defines who has the right to redeem, the economic issue remains: holders without direct access to redemption depend on intermediaries or primary-market participants to connect the secondary-market price to par.

Timing is equally important. A redemption right is stronger when the time needed to exercise it is short, predictable and legally or operationally certain. It is weaker when redemption is subject to an open-ended process, discretionary procedures, incomplete onboarding, settlement windows, or possible delays in stress. In those cases, the token may still be redeemable at par in law, but the market price will reflect the time and uncertainty involved in getting back to money. A holder who wants to exit immediately may prefer to sell in the secondary market rather than wait for redemption. That is what gives the secondary market its role.

For this reason, the relevant question is not only whether the token is backed by safe assets, or whether redemption at par exists as a legal right. It is how that right is distributed across holders, how quickly and predictably it can be exercised, and how effectively arbitrage connects the secondary-market price to par.

In principle, arbitrage should hold the price at par. A token trading below par can be bought and redeemed. But arbitrage is effective only if redemption is timely, predictable and available to those who can perform it. If redemption takes time, a holder who wants to exit immediately may sell rather than wait. That is what gives the secondary market its role.

Even when the backing is completely safe, two effects remain. A claim paid at par only after a delay is worth slightly less today: the delay has a term component. And the price at which the token can be sold immediately reflects market liquidity: when the market is thin, the liquidity premium widens. The issue therefore goes beyond counterparty risk. Even if that risk were largely removed by holding the backing in central bank reserves, the wedge created by the time-to-convert would remain.

This trade-off cuts across direct and indirect anchoring. A short redemption window narrows the wedge but concentrates liquidity pressure on the issuer under stress. A longer window eases that pressure but widens the possible secondary-market discount. For a market-based instrument, par is therefore an equilibrium outcome. It depends on backing, market expectations and the timing of convertibility, not on backing alone.

This is the limit of balance-sheet access. Locating the backing at the central bank improves its quality and removes private counterparty risk. It does not, by itself, shorten or make more predictable the redemption process than the secondary market prices. A token can be fully backed by central bank money and still trade below par if conversion is not immediate, uncertain, or available only through a restricted set of intermediaries.²²

Backing and convertibility are therefore separable. Safe backing makes redemption credible; it does not determine how quickly, through whom, or under which market conditions redemption can be exercised. For a transferable token, these operational details are not secondary. They are part of what the market prices.

5. Regulatory regimes and the anchoring: the EU, the US and the UK

The distinctions drawn in the previous sections help read the regulatory regimes now taking shape. The relevant question is not simply whether stablecoin issuers have access to the central bank balance sheet. It is how each framework supports the promise of par: through commercial bank money, through marketable safe assets, through central bank money, or through some combination of the three.

The EU, the United States and the United Kingdom have moved in different directions. The EU places e-money tokens within the electronic-money framework and relies, for non-bank issuers, on indirect anchoring through the banking system. The United States builds its framework around a narrow set of eligible reserve assets, with a central role for Treasury-market liquidity and

²² See also Scotti (2026), distinguishing stablecoins, which “circulate as transferable private claims and settle outside the central bank core until redemption,” from tokenised deposits, which “preserve the logic of the two-tier monetary system” by settling continuously in central bank money; and noting that the composition of stablecoin reserves – central bank balances, bank deposits or short-term government securities – affects money and government-debt markets differently.

only a conditional possibility of Federal Reserve balances. The United Kingdom, for systemic sterling stablecoins, brings the central bank balance sheet directly into the design by requiring a share of backing assets to be held at the Bank of England and by developing a dedicated liquidity facility.

The comparison should be read as of mid-2026. Several US implementing rules remain proposed rather than final; the Federal Reserve’s rule is still awaited; and the UK Code of Practice remains in draft.

5.1. The EU: MiCAR and the indirect anchoring through the banking system

Under Regulation (EU) 2023/1114, single-currency payment stablecoins fall under the category of e-money tokens. MiCAR brings EMTs into the existing electronic-money architecture on the basis of technological neutrality: instruments performing the same economic function should face substantially the same rules, whatever the technology used to issue or transfer them. Tokenisation should not weaken the guarantees attached to the instrument, nor create a route to regulatory arbitrage.

The basic features therefore mirror the e-money requirements. EMTs must be redeemable at par and on demand. They may not bear interest. They may be issued only by credit institutions or e-money institutions. But the anchoring mechanism depends on the issuer.

Where a bank issues the EMT, the token sits on a regulated bank balance sheet. The issuer is already inside the prudential and central-bank perimeter: LCR, NSFR, capital requirements, supervision, and access to central bank settlement and liquidity. In that case, anchoring is embedded in the banking perimeter: the issuer has access to central bank settlement, is subject to the ordinary prudential regime, and may access central bank refinancing operations subject to the usual eligibility and collateral rules.

Where a non-bank e-money institution issues the EMT, the structure is different. The issuer is subject to reserve, safeguarding, liquidity, concentration and stress-testing requirements specified under MiCAR and EBA standards.²³ It must hold a minimum share of the reserve as deposits with credit institutions (at least 30 per cent under MiCAR, rising to 60 per cent for significant tokens under the relevant MiCAR/EBA liquidity standards), with the remainder invested in secure, low-risk highly liquid assets denominated in the same official currency. But it has no general right to hold the reserve at the central bank.²⁴

²³European Banking Authority, “Asset-referenced and e-money tokens (MiCA)” and final draft RTS further specifying liquidity requirements of the reserve of assets under Article 36(4) MiCAR, 13 June 2024.

²⁴ Under Article 36(4) MiCAR, the EBA’s final draft RTS address the risks created by reserve deposits with banks through counterparty-quality requirements and concentration limits. Deposits with a single credit institution are capped at 25% of the reserve of assets where the institution is a global systemically important institution (G-SII) or other systemically important institution (O-SII), 15% where it is another large institution, and 5% for other credit institutions; they must also not exceed 1.5% of that institution’s total assets, while aggregate exposures to the same institution are capped at 30% of the reserve of assets. See EBA, Final Report on draft Regulatory Technical Standards to further specify the liquidity requirements of the reserve of assets under Article 36(4) of Regulation (EU) 2023/1114, 13 June 2024, Articles 4–5.

For non-bank issuers, the EU default is therefore indirect anchoring. Par is supported by regulation, EBA standards, safeguarding rules and commercial bank money, rather than by a direct claim on central bank money.

The Eurosystem's recent opening to non-bank payment service providers does not change this conclusion. That opening follows from the Eurosystem's task, under Article 127(2) TFEU, to promote the smooth operation of payment systems.²⁵ Payment and e-money institutions may obtain access to central bank-operated payment systems and related settlement accounts under strict conditions. But this is settlement access. It is not reserve-backing access. It allows non-bank PSPs to move money through the payment system; it does not allow them to park stablecoin reserves or safeguarded customer funds at the central bank.²⁶

The terms of access confirm the distinction. Settlement balances are capped at the funds needed for current-day settlement,²⁷ and their remuneration cannot be positive.²⁸ The account is therefore a payment-system facility, not a remunerated reserve asset.

This is the point at which the EU framework raises a deeper question. MiCAR treats EMTs as the technological continuation of electronic money. If an EMT behaves like conventional e-money, the fit is natural: a single issuer, a ledger-based claim, par redemption, safeguarded funds. But if an EMT circulates as a transferable token, with a secondary-market price and holders who may not redeem directly with the issuer, the analogy becomes less complete. The relevant risk is no longer only the issuer's balance sheet. It is also the timing, certainty and distribution of convertibility. In that case, treating the token simply as e-money may leave part of the problem outside the frame.

5.2. The US: the GENIUS Act and the anchoring in the Treasury market

The GENIUS Act, enacted in July 2025, centres the model on safe reserve assets and the depth of the Treasury market. Permitted payment stablecoin issuers must hold identifiable reserves backing outstanding tokens on at least a one-to-one basis, composed exclusively of high-quality liquid assets: US coins and currency, balances at a Federal Reserve Bank, demand deposits at insured depository institutions, Treasury bills with 93 days or less remaining maturity, certain Treasury-backed repurchase agreements, money-market funds invested solely in qualifying assets, and tokenised forms of these. Reserves may not be pledged, rehypothecated or reused, except narrowly

²⁵ Article 127(2) TFEU lists, among the basic tasks of the European System of Central Banks, the task “to promote the smooth operation of payment systems” (fourth indent). The Eurosystem's decision to admit non-bank payment service providers to its payment systems and related settlement accounts rests on that task; it is not a decision to open the central bank balance sheet as a place to hold or safeguard stablecoin reserves, which the Eurosystem has expressly declined to do.

²⁶ Settlement access is about moving money through the payment system. Reserve-backing access is about parking central bank money as part of the backing portfolio. The first is operational. The second is monetary and prudential.

²⁷ ECB (2024), *Eurosystem policy on access by non-bank payment service providers to central bank operated payment systems and to central bank accounts*, and accompanying press release of 19 July 2024, www.ecb.europa.eu. The policy also states that the Eurosystem will not provide accounts to non-bank PSPs for safeguarding users' funds.

²⁸ Decision (EU) 2025/222 of the European Central Bank of 27 January 2025 (ECB/2025/2), as amended by Decision (EU) 2025/1148. The maximum holding amount is set at twice the peak daily value of outgoing transfers over the previous twelve months; balances are remunerated at zero per cent or €STR minus 20 basis points, whichever is lower.

– including selling Treasury bills under short-term repos to raise liquidity for redemptions. Issuers may not pay interest to holders.

The framework is being built through agency rulemaking and is not yet fully in force.²⁹ Proposed rules were issued between December 2025 and May 2026 by the Office of the Comptroller of the Currency (OCC) – the primary federal regulator for many issuers³⁰ and the Treasury, while the Federal Reserve Board has not yet issued its own. The OCC's proposal (February 2026) sets the substantive prudential standards, including reserve-maturity and counterparty limits and a cap on “timely redemption” of no more than two business days; the FDIC's December 2025 proposal set application procedures for bank-subsidiary issuers, and its April 2026 proposal addresses reserve segregation, the definitions of “customer” and “redemption”, and the deposit-insurance treatment of reserve deposits; the Treasury's April 2026 proposal sets the principles for when a state regime is “substantially similar” to the federal one – the gateway for state-chartered issuers with up to \$10 billion outstanding;³¹ and FinCEN and OFAC have jointly proposed AML and sanctions rules treating issuers as financial institutions under the Bank Secrecy Act (BSA).³²

For the question considered in this paper, the important feature is the gap between reserve eligibility and account access. The Act lists balances at a Federal Reserve Bank as eligible reserve assets, but it does not give non-bank issuers a right to a Federal Reserve account or to Federal Reserve payment services. The Federal Reserve sought comment in 2025 on a possible limited-purpose “skinny” payment account for eligible institutions, focused on clearing and settlement rather than full master-account access, and without interest, intraday credit or discount-window access. But no implementing rule has yet been issued.³³

The asset side is even more clearly outside the framework. The Act creates no Federal Reserve liquidity facility for non-bank issuers. The US approach therefore leaves open, at most, a possible path to limited liability-side access, depending on Federal Reserve account eligibility and any future implementing framework. It does not create an unrestricted right to hold stablecoin backing at the Federal Reserve, and it does not provide asset-side access to central bank credit.

The convertibility question is also distinctive. The GENIUS Act is strong on reserve composition: par is supported by full backing in a narrow set of eligible assets. But for many

²⁹GENIUS Act, enacted 18 July 2025; under the Act, the effective date is the earlier of 18 months after enactment (i.e., 18 January 2027) or 120 days after the primary federal payment stablecoin regulators issue final implementing regulations.

³⁰ Depending on the issuer's charter, the primary federal regulator may instead be the Federal Reserve (for subsidiaries of insured depository institutions that are state member banks or bank holding companies), the FDIC (insured state non-member banks and their subsidiaries) or the National Credit Union Administration (federally insured credit unions); a non-bank issuer without a bank charter may instead seek a national trust bank charter from the OCC. FinCEN and OFAC are not primary prudential regulators, but they apply anti-money-laundering and sanctions rules to all permitted issuers regardless of charter.

³¹U.S. Department of the Treasury (2026).

³²OCC (2026); following the U.S. Treasury's Advance Notice of Proposed Rulemaking of 19 September 2025. FinCEN and OFAC (2026), joint *Notice of Proposed Rulemaking on AML/CFT program and sanctions compliance program requirements for permitted payment stablecoin issuers*, 91 Fed. Reg. (10 April 2026), www.federalregister.gov. FDIC (2026), *Notice of Proposed Rulemaking to Establish GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions*, approved 7 April 2026, 91 Fed. Reg. 18,534 (10 April 2026), www.fdic.gov.

³³ Federal Reserve, Request for Information on a Reserve Bank payment account (2025).

holders, the route back to money runs through the market. The issuer redeems with parties that have a direct customer relationship with it. Other holders transact on exchanges or through intermediaries, in secondary-market activity to which the issuer is not a party. For them, par is sustained indirectly, by the willingness and ability of primary-market participants to buy the token below par and redeem it.

Even for those who can redeem directly, redemption is timely but not immediate: under the OCC proposal, it may take up to two business days, and the scope of who qualifies as a redeeming “customer” is still being defined.³⁴ To the extent that backing is held in Treasuries rather than central bank money, redemptions also require the monetisation of marketable assets. Treasury-market liquidity is deep, but it is not invariant under stress. The US framework therefore leaves the convertibility dimension relatively exposed to market structure: for ordinary holders, par depends on arbitrage and on the liquidity of the venues where the token trades.

5.3. The UK: systemic stablecoins and direct anchoring by design

The Bank of England’s June 2026 policy statement and draft Code of Practice offer the clearest example of a regime in which the central bank balance sheet is placed explicitly inside the backing of a private stablecoin.³⁵ The Bank had initially proposed, in 2023, that systemic stablecoins be backed entirely by unremunerated central bank deposits. After feedback on business-model viability, level playing field and international consistency, it revised the approach.

The current proposal requires systemic sterling stablecoin issuers to hold at least 30 per cent of backing assets as unremunerated deposits at the Bank of England, calibrated on estimated short-term redemption outflows in stress. Up to 70 per cent may be held in short-term sterling UK government debt with a residual maturity of up to six months. Temporary deviations from the 30:70 split are permitted to meet large unanticipated redemptions; subject to conditions, overnight repo and reverse repo transactions may be used for liquidity management; and a step-up regime allows issuers that are systemic at launch to hold up to 95 per cent in gilts while they scale.

What distinguishes the UK regime is not simply access, but obligation. The central bank component is mandated. Systemic issuers do not merely have the option to hold balances at the Bank of England; they must hold a minimum share of their backing there. The 30 per cent unremunerated deposit requirement forces issuers to internalise the cost of direct anchoring, while the gilt component preserves part of the business model by allowing the rest of the portfolio to earn a return.³⁶

³⁴ In the implementing proposals, “primary market” denotes activity in which the issuer interacts directly with a holder (issuance, conversion, redemption); “secondary market” denotes transactions to which the issuer is not a party. The FDIC’s April 2026 proposal would define “customer” and “redemption”.

³⁵ Bank of England (2026). The policy statement confirms and, in places, revises the November 2025 consultation proposals; the draft Code of Practice (Appendix 4) implements them and is open for consultation until 22 September 2026, with finalisation intended by end-2026 and application to recognised systemic issuers from 2027.

³⁶ See Bank of England (2026) on the revised backing composition (at least 30% unremunerated central bank deposits and up to 70% short-term UK government debt of up to six months’ residual maturity); see also the November 2025 consultation paper, Section 2.2.1.

The remuneration choice is explicit. Bank of England deposits held by stablecoin issuers are unremunerated because issuers do not lend and are judged to play a very limited role in monetary policy transmission – the main reason reserves held by banks are remunerated. Remuneration of the backing is therefore allowed only outside the central bank, through the gilt portfolio.

The Bank also addresses disintermediation through quantity limits, but in a different form from its earlier consultation. Per-holder limits were discussed, but not adopted. The policy statement instead uses a temporary issuance guardrail: an aggregate cap on each systemic stablecoin, initially set at £40 billion, with no limit on the size or frequency of transactions. The cap is to be reviewed and eventually removed as risks to credit provision recede.³⁷

The UK regime also moves beyond pure liability-side access. The Bank has confirmed that it will introduce a Central Bank Liquidity Facility for eligible, solvent and viable systemic issuers.³⁸ This raises the separate asset-side question discussed above. The mandated Bank of England deposit anchors part of the backing on the liability side of the central bank balance sheet; the liquidity facility provides a possible asset-side backstop. Among the regimes considered here, the UK is therefore the clearest example of mandatory liability-side anchoring combined with a confirmed, though still to be designed, central bank liquidity facility.

The UK is also the most explicit on convertibility. All coinholders are to have a robust, direct legal claim against the issuer, redeemable on demand at par and “without undue constraint and cost”. The issuer must process redemption requests as soon as practicable and, in any event, within 24 hours of receiving a full redemption request, with real-time processing wherever possible. A request becomes full once the issuer has received the redemption request, completed the required AML/KYC checks, and received the coins from the coinholder. Issuers may use intermediaries such as crypto-fiat exchanges to fulfil redemptions, but responsibility remains with the issuer, which must honour direct redemptions if asked. Systemic issuers are also expected to access payment systems directly rather than through a sponsor.³⁹

Against the distinction developed above, this framework narrows the convertibility wedge more than the others. It fixes both the directness of the claim – every holder, not only a primary-market customer – and the timing of the process – completion within 24 hours of a full redemption request – while backing part of the promise with central bank money. The wedge is narrowed, not eliminated. A 24-hour window is still not instantaneous; the clock starts only once the request is complete, including AML/KYC checks and receipt of the coins; and redemption may still interact

³⁷Bank of England (2025). The per-holder limits discussed there (around £20,000 for individuals and £10 million for businesses) were not adopted; the June 2026 policy statement replaced them with a temporary issuance guardrail, set initially at £40 billion per systemic stablecoin, to be reviewed and ultimately removed as risks to credit provision recede.

³⁸Bank of England (2026). The Bank confirmed that it will introduce a Central Bank Liquidity Facility for solvent, viable systemic issuers, with design details to follow in 2027. The draft Code of Practice is open for consultation until 22 September 2026; the Bank intends to finalise it by end-2026, alongside a joint approach document with the FCA, and to publish supporting materials in 2027.

³⁹ Bank of England (2026), policy statement cited above, on legal claim and redemption, maintaining the requirements set out in the November 2025 consultation: a robust direct legal claim for all coinholders, redemption on demand at par, and issuer responsibility even where intermediaries are used.

with the operating hours and frictions of the payment systems through which fiat funds are transferred.

5.4. Trade-offs across regimes

The three regimes embody different choices. The EU regulates EMTs within the e-money framework and, for non-bank issuers, anchors par indirectly through commercial bank money and a prudential framework under MiCAR and the EBA. The United States relies on a narrow reserve portfolio centred on Treasury-market liquidity, while leaving Federal Reserve account access limited and conditional and routing many holders' exit through the secondary market. The United Kingdom gives central bank money a mandated role in the backing of systemic issuers, pairs it with a direct redemption claim for all holders, and addresses questions of disintermediation, synthetic-CBDC risk and reserve-demand management through the calibration of the regime.

A first comparison concerns the role of central bank money. In none of the three regimes does it appear as a freely remunerated reserve asset for non-bank issuers. In the Eurosystem, possible access is limited to capped settlement balances under a non-positive remuneration regime, and is designed around payment-system access rather than reserve backing. In the United Kingdom, central bank money is a mandatory and unremunerated share of the backing for systemic issuers. In the United States, Federal Reserve balances are eligible only where available, with no account right and no general remuneration framework for non-bank issuers. None of the three frameworks relies on issuers' voluntary demand for unremunerated reserves.

That observation matters for implementation. If a system chooses direct anchoring at systemic scale, it is unlikely to be enough simply to offer access. It would probably have to require holdings, and to calibrate the rest of the backing portfolio so that the issuer's business model remains viable. This is not an argument that direct anchoring is desirable. It is a design implication if that route is chosen.

A second comparison concerns convertibility. Here the regimes differ even more sharply. The EU requires redemption "at any time and at par", but does not fix a quantitative deadline, leaving timing to disclosure and to recovery-plan constraints. The United States routes redemption through the primary market: direct customers redeem with the issuer, while ordinary holders sell in the secondary market and rely on arbitrage. The United Kingdom goes furthest in specifying the claim: every holder has a direct legal claim, redemption must be completed within 24 hours of a full redemption request, and part of the backing is held in central bank money. The three regimes therefore define the timing, certainty and distribution of convertibility to very different degrees.

This comparison reframes the regulatory question. It is tempting to ask whether payment stablecoins can simply be treated as e-money, or whether issuers must be given access to the central bank balance sheet so that par is assured. The cases suggest that this binary misses the point. The e-money regulation was built for account-based money. Applied to an instrument that can circulate as a transferable token and trade in secondary markets, it may not fully address the timing and manner of convertibility. But balance-sheet access has its own limit. It improves the quality of the backing; it does not automatically make redemption immediate, predictable or available to all holders. A token can be fully backed by central bank money and still trade below par if the route back to money is slow or uncertain.

The Korean case adds a useful fourth angle, even if it is not a regime of the same kind as the EU, US and UK frameworks. The Bank of Korea frames stablecoins less as a question of access to a settlement asset and more as a question of trust, monetary sovereignty, capital-flow management and the separation of banking and commerce. This shifts the emphasis from the composition of the backing to the institutional environment in which the token circulates. The issue is not only whether the issuer can hold safe assets. It is whether a private token can grow without weakening the broader monetary architecture. For this reason, the BoK favours a bank-led or bank-consortium model, combined with tokenised deposits and public digital-currency infrastructure, rather than unconstrained non-bank issuance.

The broader policy choice is therefore not simply whether stablecoin issuers should have access to the central bank balance sheet. It is how the redemption promise should be supported in each monetary system. One option is to keep issuers outside the balance sheet. This protects the perimeter, but leaves private money backed partly by private money and partly by assets that may need to be monetised in stress. A second option is broad access to central bank money and possibly credit. This is safer for holders, but blurs the line between private and public money, expands the safety net and increases disintermediation risk. A third option is designed access: liability-side access under strict conditions — limited, segregated, capped, unremunerated or subject to a special remuneration regime, reserved for systemic domestic-currency payment stablecoins, and clearly separated from central bank credit.

This brings the argument back to the historical logic discussed in Section 2. “Payable in bank” was an obligation, not an option. Venice and Amsterdam did not offer merchants the choice of settling in bank; they imposed it, because voluntary demand for settlement in the public bank was unlikely to sustain centralisation. If a modern “payable in bank” were judged necessary, the same logic suggests that it could not rest on voluntary demand for unremunerated reserves. Whether it is necessary, however, is precisely what jurisdictions answer differently. The historical analogy informs that judgement. It does not settle it.

6. Conclusion

The question of stablecoin issuers’ access to the central bank balance sheet is often presented as a yes-or-no decision. It is not. Once payment stablecoins are treated as money-like liabilities, the relevant question becomes more precise: what exactly is being anchored, on which side of the central bank balance sheet, by whom, and with what obligation.

The distinctions developed in this paper help separate issues that are often compressed into one. Direct anchoring is not the same as liquidity support. Holding central bank money on the liability side of the central bank balance sheet is not the same as borrowing from the central bank on the asset side. Access is not the same as an obligation to hold central bank money. And safe backing is not the same as timely and certain convertibility.

Read in this way, the EU, US and UK regimes do not represent three versions of the same model. They represent different ways of supporting the promise of par. The EU framework, for non-bank EMT issuers, relies mainly on indirect anchoring through commercial bank money, safeguarding rules and prudential requirements. The US framework anchors payment stablecoins primarily in a defined set of safe reserve assets, centred on Treasury-market liquidity, while leaving

Federal Reserve account access limited and conditional. The UK framework gives central bank money a mandated role in the backing of systemic sterling stablecoins and combines it with a more explicit architecture for redemption.

Each choice preserves some features of the monetary system and changes others. Indirect anchoring protects the perimeter of the central bank balance sheet and preserves the traditional two-tier structure, but it leaves private money backed partly by private money and partly by assets that may need to be monetised in stress. Direct liability-side anchoring improves the quality of backing, but it also raises questions about the boundary between public and private money, the distribution of the benefits of central bank money, and the possible effects on bank funding and reserve demand. Asset-side access raises a sharper issue still. It is not backing, but credit. It may reduce fire-sale risk in stress, but it also creates moral hazard, counterparty risk for the central bank and expectations of lender-of-last-resort support for non-bank issuers.

The analysis therefore remains deliberately inconclusive on the normative question. There is no single answer that follows mechanically from the nature of stablecoins.⁴⁰ Indirect anchoring may be sufficient if adoption is limited, reserve assets are safe and diversified, redemption is operationally credible, and the issuer's role remains outside the systemic core of payments. Direct anchoring may become more relevant if stablecoins are widely used as domestic money, if their failure could threaten the singleness of money, or if reliance on commercial bank deposits and marketable assets is judged too fragile at scale. But even then, direct access would not be enough unless it were carefully designed: limited, segregated, possibly unremunerated, and clearly separated from central bank credit.

The final point is that backing and convertibility must be kept separate. A token can be backed by safe assets and still trade away from par if the route back to money is slow, uncertain, or available only to some holders. For a transferable token traded in secondary markets, par is not only a balance-sheet condition. It is an equilibrium sustained by redemption, arbitrage and confidence. That equilibrium depends not only on what stands behind the token, but also on who can redeem it, how quickly redemption can be completed, and how certain that timing is in normal times and in stress.

The remaining fragility is therefore not only about the quality of the assets behind the stablecoin. It is about the institutional path through which the stablecoin becomes money again. That path may run through banks, through markets, or through the central bank balance sheet itself. The policy task is to make the implications of each route explicit while adoption is still evolving, and before scale itself narrows the range of available choices.

⁴⁰ For recent official assessments along these lines, see Bank for International Settlements (2026) and de Cos (2026).

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