FSB FINANCIAL STABILITY BOARD

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Global Stablecoin Arrangements

Cross-border vulnerabilities and financial stability monitoring

Introduction

The G20 has recognised the transformative role that digital financial innovation, including digital assets, can play in supporting broad-based economic growth, and the importance of safeguarding financial stability. Effective regulatory and supervisory frameworks should establish clear pathways to promote sound digital financial innovation, while seeking to address potential vulnerabilities.

Global stablecoins are an inherently cross-border and cross-sectoral issue. The reach and use of global stablecoins across multiple jurisdictions may limit the ability of a single jurisdiction alone to fully assess or address potential cross-border vulnerabilities. Moreover, the activities involved in operating a global stablecoin may span several types of entities (collectively referred to as a global stablecoin arrangement) and fall under the oversight of multiple national authorities.

This note summarises ongoing work at the FSB on vulnerabilities related to global stablecoin arrangements along with data for their financial stability monitoring. It builds on the FSB's prior work, in particular the 2023 high-level recommendations for the regulation, supervision and oversight of global stablecoin arrangements and the 2025 thematic peer review of their implementation. The ongoing work on vulnerabilities includes analysis of the structure of these arrangements, the potential propagation of vulnerabilities, and the metrics that could support financial stability monitoring. Additional work concerns the data currently available for monitoring stablecoins, assessing the sources as well as the benefits and limitations of these sources. Together, the two areas of investigation could help authorities assess, identify, and monitor potential financial stability vulnerabilities related to global stablecoin arrangements.

Cross-border vulnerabilities related to global stablecoin arrangements

The FSB has analysed the cross-border dimension of global stablecoins from a financial stability perspective. Global stablecoins, as defined by the FSB, are those that have a reach and use across multiple jurisdictions and could become systemically important in one or more of them.[1]

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[1] The FSB has previously defined a global stablecoin as a "stablecoin with an existing or potential reach and use across multiple jurisdictions and which could become systemically important in and across one or many jurisdictions, including as a means of

The future systemic potential of global stablecoins can stem from their use as a means of payment and/or store of value or via their linkages with other financial markets. As of mid-2026, the total market value for stablecoins is around $300 billion, essentially unchanged from a year earlier, with 99 per cent (by value) pegged to the US dollar, in a landscape that continues to evolve rapidly. The analysis builds on prior FSB work and examines potential cross-border financial stability vulnerabilities of global stablecoin arrangements. This complements ongoing work at the standard-setting bodies and international organisations on monetary sovereignty, safety and efficiency of payment and settlement, consumer protection, and anti-money laundering and countering the financing of terrorism (AML/CFT).

While global stablecoins are mainly used within crypto-asset markets at present, they could potentially offer benefits for the real economy. Currently, stablecoins are predominantly used as a source of liquidity to enter, exit and trade in crypto-asset markets. In some emerging market and developing economies (EMDEs), they may also serve as an alternative store of value and support financial inclusion. In the future, stablecoins may enable faster, more transparent and lower-cost domestic and cross-border transactions at scale. How stablecoins are ultimately used in different jurisdictions, whether as a means of payment, a store of value, or both, will have potential implications for the nature and severity of the vulnerabilities they present. Some of the potential benefits may derive from the use of underlying technologies such as distributed ledger technology and tokenisation, rather than from stablecoins specifically.

Global stablecoins can differ from traditional financial assets in their circulation: pseudonymous tokens that are globally accessible and easily transferable 24/7 on secondary markets. A bank has an account-based relationship with its known depositors and can manage redemptions with a view of its whole balance sheet. A global stablecoin issuer, by contrast, may not know who holds its liabilities, where those holders are domiciled, or, in some cases, where redemption demand will materialise. A global stablecoin issuer's liabilities are thus internationally mobile and may be partly unobservable. The international accessibility and mobility of global stablecoins are also part of what makes them a potentially beneficial innovation.

Meanwhile, reserve assets backing the tokens and holders' legal protections may remain, at least partially, anchored in specific jurisdictions. In practice, issuers design their issuance programmes, including undertakings on reserve assets and redemption into fiat currency, to be enforceable under at least one jurisdictional framework, to which they are then bound. Redemption and reserve management are also subject to the operating hours and settlement practices of the markets in which they operate, and, increasingly, to regulatory requirements. In stress, round-the-clock access to and the speed of trading on secondary markets may increase the potential speed and magnitude of sell offs, putting pressure on the stablecoin's peg if redemptions cannot keep up with demand. At the same time, deep and liquid secondary markets could facilitate arbitrage trading that might help stabilise prices toward the peg. A run on a global stablecoin could potentially spill over to the traditional financial system via reserve-asset fire sales and banking deposit withdrawals to fund redemptions, dependencies on a stablecoin used for payment and settlement in the real economy, and foreign exchange markets where stablecoins are used for cross-border transactions.

making payments and/or store of value." See FSB (2023), *High-level Recommendations for the Regulation, Supervision and Oversight of Global Stablecoin Arrangements: Final report*, July.

In the specific 'multi-issuer' case, affiliated issuers jointly share liability for a single global stablecoin but hold separate reserves, whose rebalancing may face frictions during stress. In this configuration, holders might be able to redeem with any of the affiliated issuers. Multi-issuer arrangements rely on aligning the location of their reserve assets with redemption flows via cross-border rebalancing of reserves and secondary market trading. However, if holders can redeem with any issuer regardless of where their tokens were issued, redemption demand could concentrate on a single entity in the group. Reserve rebalancing and secondary markets may re-align redemption flows with reserves, but their effectiveness depends on reserve mobility, market access, information flows and coordination that may break down during stress. Moreover, if the location of some holders is not possible or difficult to ascertain, the attribution of liabilities to individual issuers and the legal claims of holders may be unclear in stress and in insolvency.

More broadly, cross-border aspects of global stablecoins can also amplify liquidity mismatches, run risk and operational fragility, while insolvency would raise legal and operational questions. The quantity and quality of reserve assets, as well as the regulatory and supervisory framework under which an arrangement operates, remain essential determinants of the resilience of a global stablecoin. Complex cross-border corporate governance and distribution, as well as the holding of less liquid or lower quality reserve assets in jurisdictions that have not implemented the FSB recommendations, can amplify liquidity and operational vulnerabilities. Moreover, in some circumstances, it may be difficult to determine which national insolvency regime(s) would apply during the insolvency of a global stablecoin. EMDEs can face additional risks from global stablecoins due to currency substitution, bank disintermediation and challenges with capital flow management, so that stablecoins could become systemic at a lower threshold of use. Ongoing work at the standard-setting bodies and international organisations covers some of these topics in detail.

The interaction of regulatory frameworks across borders remains uncertain or undefined in many jurisdictions, including the treatment of foreign-issued stablecoins. Notwithstanding the ongoing development of some regulatory frameworks, international regulatory interactions have contributed to the emergence of complex, cross-border structures for global stablecoins and provided opportunities for regulatory arbitrage, with some issuers choosing to locate in and operate from more lightly regulated or unregulated jurisdictions. At the same time, there is no one-size-fits-all approach. Jurisdictions are implementing the FSB's 2023 recommendations in line with their domestic mandates and legal frameworks, and how these frameworks may interact remains complex and uncertain. A global stablecoin arrangement may be managed across multiple entities and regulatory regimes, potentially complicating oversight, crisis management, accountability and cooperation in stress or insolvency. Global stablecoins and national regulatory frameworks remain untested in severe stress and insolvency.

Metrics tailored to the cross-border vulnerabilities summarised above can enhance authorities' financial stability monitoring of global stablecoin arrangements. While data gaps may exist in practice, our analysis supports monitoring the depth, liquidity and structure of secondary markets and the geographic distribution of stablecoin holdings, redemptions and reserve assets, especially under the multi-issuer configuration. Authorities may consider additional metrics to achieve monitoring of potential financial stability implications.

Further international work may help to address the cross-border vulnerabilities identified and to support the continued implementation of the FSB's recommendations. The analysis highlights

three areas relating to the implementation of the FSB's 2023 recommendations that may warrant continued consideration: (i) enhancing monitoring of cross-border vulnerabilities, supported by the indicators mentioned above and the FSB's work on stablecoin data availability and limitations; (ii) supporting implementation of the 2023 recommendations, particularly by fostering cross-border cooperation and information-sharing, which may also facilitate the interplay of regulatory frameworks across borders; and (iii) gathering information on emerging approaches to planning for distress or failure of global stablecoin arrangements, with a particular focus on cross-border issues.

Stablecoins: data sources, availability and challenges

The FSB has analysed key stablecoin-related primary data sources, examined relevant data elements that can be derived from these sources, and highlighted important benefits and limitations. The FSB has previously found that gaps in available digital asset data, including stablecoins, present challenges for authorities in financial stability monitoring.[2] The more recent analysis summarised here is not a comprehensive assessment of data needed for supervisors and the public to monitor financial stability vulnerabilities, and some of the data challenges identified also exist in traditional finance.

Stablecoin activity generates abundant data, but several challenges currently limit how effectively it can be used to monitor financial stability vulnerabilities. These challenges are not equally addressable. Some constraints are structural (e.g. public blockchains are pseudonymous) and are likely to persist absent significant changes in the crypto-asset ecosystem. Other challenges are more tractable, such as 1) data that technically exists but is not disclosed publicly or to authorities, and 2) addressing the use of non-standard methods, heuristics, formats or coverage for compiling and sharing data.

Authorities currently rely mostly on private compilers of stablecoin data that use a range of methods, improving data access but creating comparability and credibility risks. Specialised third parties use proprietary methods to compile, filter, and aggregate stablecoin data from primary sources. These methods may vary in both accuracy and transparency. The high volume and complex structure of data, some of which is noisy, means making inferences from the data often requires sophisticated data infrastructure, tools and technical abilities. Different approaches used by third parties can result in inconsistencies, additional noise, and limitations to data comparability across providers. These challenges may ultimately lead to lower fidelity data that complicates its use for financial stability monitoring. In response, authorities may consider deepening analytical expertise of blockchain data, noting that this may be a significant undertaking in some jurisdictions such as EMDEs.

A more structural challenge is the difficulty in attributing stablecoin activity to specific uses or geographies. In aggregate, this type of data is required to understand stablecoin concentrations and cross-border flows. However, such attribution is often not possible because of inherent limitations in the data, such as the pseudonymity of many transactions on public blockchains and the smart contract infrastructure underlying most stablecoins. Where attribution is possible,

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2 FSB (2024), *G20 Crypto-Asset Policy Implementation Roadmap: Status report*, October.

it may not be verifiable or reliable due to non-standardised, proprietary and/or undisclosed methods.

At the same time, the availability of stablecoin data has improved significantly in recent years and, if such a trajectory were to continue, can help to mitigate some challenges. For example, combining data across sources, improvements in reliability and disclosure of heuristic methods, and the use of novel methodologies to estimate how stablecoins are used can all improve the usefulness of stablecoin data for financial stability monitoring. To date, such efforts have largely been driven by industry because the task is complex and resource intensive. Other regulatory and industry developments may also drive future improvements, including changes in disclosure and reporting requirements, smart contract design, or data standards that could increase the amount of data in consistent formats on- and off-chain.

To strengthen stablecoin monitoring, members and relevant authorities could consider three next steps: (i) develop a set of metrics for financial stability monitoring and identify data gaps; (ii) better leverage existing data, including by encouraging cross-border analytical expertise, information sharing and coordination; and (iii) explore possible industry best practices for data collection and compilation on- and off-chain to improve quality and comparability over time. These steps should be aligned internationally where helpful and then iterated as market practices evolve.