INSTITUTIONAL INTELLIGENCE REPORT

July 2026

Stablecoins, Tokenised Deposits & CBDCs

The Future of Money in Europe

A strategic guide to Europe's evolving institutional digital money landscape.

VENTUREBLOXX INSTITUTIONAL INTELLIGENCE

Foreword

THE FUTURE OF MONEY IN EUROPE

Money is changing. Not in the incremental way that financial systems typically evolve but in a more fundamental way, from new payment rails to a regulatory evolution.

Europe stands at the centre of this transformation. By early July 2026, Europe's digital-money market had passed a major MiCA implementation milestone, with the CASP grandfathering period ending on 1 July and the market moving more decisively into MiCA authorisation and supervision. This regulatory framework is already reshaping how institutions think about liquidity, settlement and monetary infrastructure. Against this backdrop, something rare is happening. The fragmentation of the monetary layer, once viewed as a problem, is revealing itself as a structural feature of a market in motion.

The experts gathered in this collection know this terrain intimately. They are the practitioners building it, and their perspectives reflect the decisions being made on the ground at institutions whose choices will define the European monetary model for the decade ahead.

Their contributions arrive at a moment of genuine consequence. Tokenisation initiatives are accelerating. Wholesale DLT settlement infrastructure is moving from pilot to production. Regulated euro stablecoins are no longer hypothetical. The different forms of digital money now coexisting in Europe, each with its own logic, its own use cases, its own claims on institutional attention, are creating new questions about where value is captured, how liquidity flows, and what it means to deploy money strategically rather than simply hold it.

This collection does not offer a single answer to those questions, but it offers a structured conversation among people who are living them. The chapters that follow move from the monetary layer itself, why it is fragmenting and what that means, through the forms digital money takes, the infrastructures that carry it, the business models forming around it, and finally to the strategic choices facing institutions navigating it all.

Taken together, these contributions offer a practitioner's guide to a market in transition.

Aurianne Fléret
Head of Public Affairs, Paris Europlace

We created this report because Europe's digital-money market is moving faster than the institutional information layer around it. At Venturebloxx, our contribution is to cut through fragmented announcements, product narratives and regulatory signals, and bring together practitioner insight, market data and structured analysis into a clearer view of how this infrastructure is evolving

Marta Rozsa
CEO Venturebloxx

Insights from Industry Experts

Roberto Pagliari
Director DLT-based Cash & Markets, Commerzbank

Emma Landriault
Head of Kinexys Labs, Kinexys by J.P. Morgan

Simone Cortese
Chief Product Officer, Fnality

Sveinn Valfells
Co-founder & Chair, Monerium

Yaniv Gidron
Co-Founder, Monee Financial Technologies

Floris Lugt
CFO, Qivalis B.V.

Arnoud Star Busmann
CEO, Quantoz

Faustine Fleuret
Global Head of Public Affairs at Morpho

Sébastien Van Campenhoudt
Director, Innovation & Digital Assets, Tokenized Cash Lead, Euroclear

Aurélie Pagon
Head of Processing and Financial Institutions Compliance

Maximilian Bruckner
Sales Director Germany, Zodia Custody

Ilja Tomilin
Sales Director, Tangany

Luke Dufour
Compliance Advisor for EMEA, TRM Labs

Benjamin Levit
Co-Founder & CEO, Bluechip

Marco Kessler
Head of Digital Assets, SIX

Insights from Industry Experts

Insights from Industry Experts

Executive Summary

Europe's digital-money market is entering a new phase.
The combination of MiCA implementation, tokenisation initiatives, wholesale DLT settlement infrastructure, regulated euro stablecoins, tokenised deposits and growing institutional participation is transforming digital money from an experimental market segment into an emerging component of financial-market infrastructure.

This transition is occurring at a significant regulatory moment. The MiCA grandfathering period for crypto-asset service providers ended on 1 July 2026, reinforcing the shift from fragmented national regimes toward MiCA authorisation and supervision across the European market. At the same time, the European Commission has launched consultations to assess the future evolution of MiCA, signalling that digital money, tokenisation and digital-asset infrastructure are becoming permanent areas of European financial regulation rather than temporary innovation topics.

Key Insights

- Europe is not converging on a single form of digital money. Stablecoins, e-money tokens, tokenised deposits, wholesale settlement assets and the digital euro are being developed for different institutional functions.
- Settlement, interoperability and convertibility are emerging as key design questions. The future structure of digital money will depend not only on issuance, but also on how different forms of money interact across settlement and market infrastructures.
- MiCA has shifted digital money from an experimental topic into a regulated market segment, creating a foundation for institutional adoption while increasing the importance of compliance, governance, reserve management and operational resilience.
- Euro-denominated digital money remains materially smaller than dollar-denominated stablecoins. This makes liquidity formation, distribution, market access and euro-denominated settlement capacity strategic priorities for Europe.
- Recent market developments show accelerating institutional positioning. Qivalis has expanded into a 37-institution European banking consortium, AllUnity is broadening EURAU distribution across multiple blockchain networks, and Société Générale – FORGE continues to expand EURCV and USDCV distribution through wallet, exchange and multi-chain channels.
- One of the defining characteristics of the European market is its bank-centric approach to digital-money development. Unlike many international markets where innovation has been led primarily by specialist crypto firms, Europe is seeing increasing participation from commercial banks, banking consortia and regulated financial institutions across issuance, settlement and market infrastructure.
- Europe's model remains deliberately balanced. Policymakers support innovation in regulated private digital money, while the ECB continues to emphasise financial stability, monetary sovereignty and the importance of central bank money in the settlement architecture.
- Competition is increasingly concentrated around control points such as distribution, liquidity, custody, treasury integration and settlement access rather than around issuance alone.

- The next phase of market development will be defined by interoperability, institutional coordination and workflow integration. The next phase of market development is likely to depend less on individual products and more on the ability to operate across multiple forms of digital money and connect them through coherent operational, regulatory and settlement frameworks.

For financial institutions, market infrastructures, corporates, policymakers and technology providers, digital money is increasingly becoming a strategic infrastructure question. Europe's future monetary architecture will depend on the ability of public and private actors to build a resilient, interoperable and globally competitive euro-denominated financial system.

Research Methodology

This report combines public policy analysis, regulatory publications, market data, institutional research, Venturebloxx Intelligence and primary interviews to examine the evolving architecture of digital money in Europe.

The analysis reflects a period of accelerated market development across regulated stablecoins, tokenised deposits, wholesale settlement infrastructure, tokenised assets and central-bank initiatives. It draws on Venturebloxx Intelligence, Venturebloxx's institutional intelligence platform for digital money, digital assets and tokenised markets, which tracks market developments, institutional initiatives, regulatory signals, infrastructure providers and product launches across the digital-money stack.

To complement publicly available information and Venturebloxx Intelligence research, Venturebloxx conducted interviews with senior executives, product leaders, market infrastructure providers, banks, issuers and digital asset specialists involved in the development of digital money, settlement and tokenisation initiatives across Europe.
The objective is not to advocate for any particular model or technology. Rather, it is to provide finance professionals, policymakers, market participants and infrastructure providers with a practical framework for understanding how different forms of digital money are evolving, where institutional adoption is occurring, and how the interaction between regulation, liquidity, settlement, governance and distribution is shaping Europe's future financial architecture.

Data Acknowledgements
Selected charts and market data included in this report are based on institutional market and blockchain datasets provided by Kaiko and Allium.

1 Why the Monetary Layer Is Fragmenting

Europe's monetary architecture is expanding through the parallel development of stablecoins, e-money tokens (EMTs), tokenised deposits, wholesale DLT settlement infrastructure, and the digital euro. This expansion is being shaped by three concurrent forces: the tokenisation of financial assets, the harmonisation of regulatory frameworks under MiCA, and the increasing integration of distributed-ledger-based settlement into existing banking and market-infrastructure environments. The Eurosystem's comprehensive payments strategy, published in March 2026, formalised this direction by reaffirming that central bank money should remain the settlement anchor of both retail and wholesale payments, while recognising a role for tokenised deposits and appropriately designed, regulated euro-denominated stablecoins in supporting innovation across payments and tokenised financial markets. The policy significance of that statement is considerable. It places public and private forms of digital money within a common European architecture and frames coordination, convertibility and settlement coherence as policy priorities.

The regulatory perimeter established by MiCA has accelerated this transition by turning digital money from an exploratory topic into a regulated design space. MiCA sets requirements for issuance, reserve composition, safeguarding, governance, disclosures and supervision for EMTs and asset-referenced tokens. The ECB's April 2026 Macroprudential Bulletin notes that significant EMT issuers are subject to reserve constraints that include deposits with credit institutions and high-quality liquid assets, which directly affects issuance economics and the balance-sheet logic of euro stablecoins. This regulatory clarity gives banks, PSPs, treasury teams and infrastructures a basis for evaluating euro-denominated digital money within formal liquidity, compliance and operating frameworks. It also creates a sharper distinction between instruments designed for regulated European use and instruments whose growth has been driven by offshore or global-market dynamics.

Banking institutions are developing tokenised deposit models in response to structural changes in liquidity, funding and competitive positioning. The ECB's recent working paper on stablecoins and monetary policy transmission identifies deposit substitution as a live channel through which stablecoin adoption can shift funds away from retail bank deposits and increase banks' reliance on wholesale funding. That dynamic has direct implications for balance-sheet composition, liquidity management and monetary transmission. In this context, tokenised deposits are being positioned by banks as a digital extension of commercial bank money that can operate in programmable environments while preserving the legal and economic characteristics of deposits.

Across Europe, banks and market infrastructures are exploring tokenised-deposit models as part of broader efforts to modernise settlement, liquidity management and tokenised-market infrastructure. In Germany, these discussions have included initiatives involving institutions such as Commerzbank, Deutsche Bank, DZ Bank and other market participants. Internationally, JPMorgan's Kinexys platform provides one of the most established production examples of deposit-based blockchain settlement.

Expert Perspective

Roberto Pagliari
Director DLT-based Cash & Markets Commerzbank

To understand how **commercial banks view the relationship between tokenised deposits, stablecoins, and wholesale settlement infrastructure**, Venturebloxx spoke with Roberto Pagliari, Director DLT-based Cash & Markets at Commerzbank. His perspective highlights **how banks are positioning tokenised deposits within existing monetary and regulatory frameworks, and how different forms of digital money may coexist as institutional adoption accelerates.**

Q1. When do tokenised deposits offer a better answer than stablecoins for institutional settlement?

Tokenised deposits tend to offer a better answer than stablecoins for institutional settlement when institutions need strong legal certainty, regulatory alignment and deep integration with existing banking infrastructure. They represent a direct claim on a regulated bank and fit naturally into established prudential, accounting, liquidity and risk management frameworks. This makes them particularly suitable for large-value and wholesale transactions, where reliability, supervision and interoperability with central bank money are critical.

For tokenised deposits to reach scale, however, institutions must be able to exchange tokenised liabilities across banks, similar to how interbank payments are cleared today. This requires new clearing and settlement infrastructures. Wholesale settlement infrastructure, such as Fnality, alongside market initiatives including Partior, RL1 and CBMT are emerging to provide this capability. In parallel, public-private, multi-jurisdictional collaborations like BIS Project Agorá aim to connect tokenised commercial bank money with tokenised central bank money across borders. If such projects successfully interoperate with national and regional initiatives, they could create a global substrate for digital monetary exchange, in which tokenised deposits and stablecoins coexist: tokenised deposits serving as a natural instrument for regulated institutional settlement, and stablecoins continuing to play important roles in DeFi and selected use cases where openness and specific technical features are advantageous

Q2. Which constraints matter most today: capital treatment, accounting, operations, or regulation?

In principle, tokenised deposits should not require materially different capital or accounting treatment, as they remain bank deposits in a new technical form rather than a new asset class. The primary challenge is regulatory and operational alignment across jurisdictions — specifically, recognition of tokenised deposits as equivalent to traditional deposits, alongside greater interoperability and standardisation of token models and settlement frameworks.

Q3. How do you see coexistence between bank-issued money, stablecoins, and wholesale digital cash evolving?

We see a future where wholesale digital settlement is primarily driven by tokenised commercial bank deposits and tokenised central bank money, particularly for high-value and institutional use cases. Stablecoins are likely to retain a strong role in DeFi and countries with unstable / high inflation currencies. New use cases — including agentic payments — will emerge, but these can be supported by different forms of electronic money.

Expert Perspective

Emma Landriault
Head of Kinexys Labs Kinexys by J.P. Morgan

To understand how **large financial institutions are approaching tokenised commercial bank money** in production environments, Venturebloxx spoke with **Emma Landriault, Head of Kinexys Labs at J.P. Morgan**. Her perspective highlights **the role of deposit tokens in institutional liquidity management, treasury operations, and the evolving relationship between tokenised deposits, stablecoins, and traditional banking infrastructure.**

Q1. In which institutional workflows do tokenised deposits provide a clear advantage over stablecoins for settlement and liquidity management?

A deposit token, like JPM Coin, is designed to provide institutional clients with an alternative to stablecoins for near-instant, 24/7 settlement and real-time liquidity. It enables institutional clients to send and receive money securely on-chain, leveraging Base's sub-second settlement capabilities for approved peer-to-peer payments and settlements, while maintaining the stability and risk profile of a deposit. This is particularly appealing to parties who want to bring and manage a deposit position on public blockchain ecosystems, or those who want to participate on-chain but prefer to do so with a base liquidity layer that has a familiar balance sheet profile.

As a deposit token, JPM Coin supports peer-to-peer transfers between institutional wallets on public and private blockchain, reducing friction and enhancing operational efficiency, while enabling the potential for programmable treasury out of their wallet interfaces. This can help institutions make faster, more informed and automated financial decisions and streamline on-chain digital asset transactions. Deposit tokens are both a strong "hold" asset due to their profile as yield-bearing commercial bank deposits and "payment" assets (like stablecoins) as they enable peer-to-peer real-time transactions.

We see interest from large institutional players who want more native on-chain cash solutions from pre-eminent and reputable financial institutions that are interoperable with the current deposit-based products they already use. These institutions typically participate actively in both crypto and RWA digital transactions, which is why native on-chain deposit-based cash solutions fit well with their needs.

Q2. Which constraints are currently most limiting for scaling tokenised deposits: capital treatment, accounting, operational integration, or regulatory clarity?

Institutional clients can treat deposit tokens in the same way they would treat a traditional bank deposit on their balance sheet; it can be interest bearing and is subject to the same protections as traditional bank deposits. This means they can be more scalable and better integrated into existing institutional financial systems and treasury management, as there is no distinction (subject to a client's auditors) between a deposit token and a bank deposit on their balance sheet.

Q3. How do you see coexistence evolving between tokenised deposits, stablecoins, and central bank-linked settlement systems in Europe and globally?

Tokenised financial infrastructure is no longer theoretical. It is restructuring liquidity, settlement, and digital asset workflows at increasing speed. However, the convergence of traditional finance and decentralised finance will not disrupt correspondent banking; we will continue to see commercial bank money (M1) find finality in central bank money (M0) as correspondent banking is not just about moving a payment to a specific corridor, it plays a critical role in maintaining the singleness of money.

Market infrastructure development reinforces this trajectory. Tokenisation is extending beyond issuance into trading, settlement and post-trade. Banque de France and Euroclear announced in March 2026 that they would tokenise short-term debt in Paris, linking the initiative to broader work on tokenised settlement assets. The ECB's April 2026 opinion on tokenised settlement assets also reiterated that central bank money should remain the primary settlement asset for wholesale financial markets, especially securities transactions, and that tokenised central bank money will be provided for euro transactions via Pontes. These measures place settlement coherence and central-bank-money anchoring at the centre of Europe's digital-money buildout.

Expert Perspective

Simone Cortese
Chief Product Officer Fnality

As **tokenisation expands beyond asset issuance into settlement and post-trade infrastructure**, the role of the settlement asset becomes increasingly important. Ventureblox spoke with **Simone Cortese, Chief Product Officer at Fnality**, about **liquidity efficiency, settlement finality, interoperability, and the role of central-bank-money settlement infrastructure** in supporting the **next generation of tokenised financial markets.**

Q1. How does blockchain-based interbank settlement change liquidity management and settlement finality in practice?

The primary impact is on liquidity management and capital efficiency. A wholesale, DLT-based infrastructure like Fnality settles in central bank money and enables near real-time PvP and DvP settlement, allowing institutions to have the highest quality form of settlement asset and at the same time manage liquidity at precise points in time as a more unified pool, rather than holding fragmented liquidity across multiple venues, affiliates, time windows, and settlement processes. The most effective settlement model combines instant settlement where required with more flexible settlement cycles and the ability to net where appropriate. Infrastructure such as Fnality can support this outcome by enabling liquidity to be recycled throughout the day, improving balance sheet efficiency while reducing settlement risk. Over time, this may also change how institutions manage intraday liquidity. It becomes a more active function, where firms weigh timing, cost, and opportunity cost dynamically, rather than treating settlement liquidity purely as an operational requirement. Fnality has earned the settlement finality designation from the Bank of England, but this does not change the legal concept itself. Settlement finality is a legal construct.

What Fnality provides (like other regulated financial market infrastructures) is a system that is blockchain-based from a technological perspective, but designed to deliver legally robust finality, so transactions are capable of being reversed or unwound, while enabling faster, more programmable, and more liquidity-efficient workflows.

Q2. What role do central bank money and tokenised deposit models play within Fnality's settlement architecture?

We recognise that stablecoins and tokenised deposits are part of the emerging landscape. Fnality is not a competing asset in this landscape. It is a separate, regulated, central bank money-based settlement rail designed for wholesale payments and collateral flows. Where clients or internal businesses use tokenised assets, Fnality can act as the cash leg that settles them using central bank reserves on-chain, reducing credit and liquidity risk rather than adding to it. Central bank money remains the safest form of money and eliminates counterparty credit risk, which is why it is trusted in wholesale financial markets today and that is unlikely to change as these new digital asset markets take shape. Tokenised deposits and other forms of digital money can play an important role in customer-facing and transactional use cases. However, they remain commercial bank liabilities, with some inherent credit risk. Where these models create interbank exposures, those exposures still need to be settled safely, and that is where central bank settlement comes in. Fnality provides that settlement layer by enabling those bilateral risk exposures from digital asset innovations like stablecoins and tokenised deposits to be extinguished by settling in central bank money. In that sense, it complements tokenised deposit models by supporting their ability to scale safely within the existing financial system. Practically, Fnality enables this by allowing participants to access their central bank reserves, which are held in trust in an omnibus account, 24/7 and instantly use them to settle obligations on-chain, with the ledger being a record of their entitlement to that money. There is no separate token or asset created on the Fnality ledger — only records representing entitlements to central bank money.

Q3. What needs to happen for DLT-based interbank settlement to scale across banks in Europe?

Scaling depends on more than the settlement asset alone. Financial assets (whether securities, FX, or other instruments) need to be able to move and settle within timeframes that align with modern capabilities. It is not strictly about tokenisation, but about ensuring that collateral and assets can be mobilised and settled efficiently, reliably, on time, and with certainty. Scaling will therefore depend on both sides of the market maturing together: a safe tokenised settlement asset on one side, and financial assets (tokenised or otherwise) that can move just as quickly and reliably on the other side.
A further requirement is orchestration by a trusted counterparty. It needs clear legal frameworks, strong governance, and regulatory confidence. Just as importantly, it depends on integration into existing bank workflows across treasury, payments, risk, and operations. Interoperability is critical. As markets evolve, institutions will need to co-ordinate settlement across multiple systems, currencies, and platforms. This requires common standards, robust rulebooks, and workflows that preserve capital efficiency, speed, and settlement certainty. More broadly, the direction of travel is toward a hybrid market structure, where different forms of digital and traditional assets co-exist. For that model to function at scale, a robust and trusted settlement layer is essential. Fnality's role is to provide that foundation, enabling institutions to settle obligations in central bank money within a modern, multi-currency, and multi-jurisdictional framework.
For tokenisation to take off at scale in traditional finance, there needs to be a safe settlement asset. That is foundational. Without it, tokenised assets may exist, but institutions still face the question of how to settle transactions safely, efficiently, and with finality in wholesale markets. The future is therefore unlikely to be a simple choice between traditional finance and digital assets. It is more likely to be a hybrid model in which stablecoins, tokenised deposits, tokenised securities, and regulated settlement assets co-exist. Fnality's role is to provide the on-chain central bank settlement foundation for that hybrid digital market structure to grow.

Expert Perspective

Yaniv Gidron
Co-Founder Monee Financial Technologies

While many tokenisation initiatives remain focused on asset issuance, institutional adoption increasingly depends on coordinated settlement across jurisdictions, currencies, and infrastructures. Venturebloxx spoke with **Yaniv Gidron, Co-Founder of Monee Financial Technologies**, about **cross-border settlement, interoperability, liquidity orchestration, and the lessons emerging from regulatory sandbox environments across Europe and the United Kingdom.**

Q1. Strongest demand: settlement, treasury, or capital markets?

Settlement, and specifically cross-border FX-linked DvP and PvP. The UK/Ireland corridor is a clear example: fragmented rails, cut-off mismatches, and intermediated liquidity create real economic cost. Digital money across tokenised deposits, regulated stablecoins, and central bank-linked mechanisms is being pulled in to solve this. Treasury follows naturally, particularly for institutions managing GBP and EUR liquidity across entities, where programmable cash enables intraday rebalancing and collateral mobility. Capital markets adoption scales as these foundations mature. Issuance follows infrastructure.

Q2. How should institutions think about the relationship between tokenised assets and the cash leg?

As one coordinated system, especially cross-border. The unlock is not tokenising assets in isolation, it is synchronised settlement across jurisdictions and currencies. This is emerging through the EU DLT Pilot Regime, the Bank of England's Digital Securities Sandbox, the Central Bank of Ireland's innovation work, and industry environments such as the UK stablecoin sandbox and Sync Lab. The direction of travel is a hybrid model where tokenised deposits and regulated stablecoins provide commercial scalability, selectively anchored to central bank money for finality. For FX, this enables true PvP across GBP and EUR, eliminates Herstatt risk, and enables real-time liquidity coordination. Interoperability and synchronised state changes are the hard part, not token layers.

Q3. Practical lessons from sandbox environments for production rollout?

Four that recur across EU, UK, and Ireland work:
Synchronisation matters more than tokenisation. Many pilots prove issuance works. Far fewer solve coordinated settlement across currencies and jurisdictions.
Legal finality must be explicit and cross-recognised. Aligning finality across EU and UK regimes cannot be an afterthought for FX and cross-border securities flows.
Interoperability is the real scaling constraint. Moving from controlled sandbox conditions to production requires connectivity across central banks, commercial banks, custodians, and market infrastructures without recreating fragmentation.
Liquidity orchestration is the economic driver. The value is not just faster settlement, it is reduced prefunding, improved capital efficiency, and real-time treasury mobility across GBP and EUR corridors.
The combined trajectory of the EU DLT Pilot, BoE DSS, and related sandboxes is converging toward cross-border, multi-currency atomic settlement. The opportunity is moving beyond isolated pilots to synchronised FX DvP and PvP at institutional scale.

As one of Europe's largest financial market infrastructures, Euroclear occupies a central position in the evolution of tokenised settlement and digital capital markets.

> *Central bank money is and will remain the preferred settlement asset whenever it is available and practicable. Central bank money is the only risk-free settlement asset, it ensures settlement finality, underpins systemic stability, and preserves monetary sovereignty.*
>
> ***Sébastien Van Campenhoudt,***
> ***Director, Innovation & Digital Assets, Tokenized Cash Lead Euroclear***

This architecture creates a structural requirement for interoperability across multiple forms of digital money operating under different regulatory and technical conditions. Without effective coordination mechanisms, Europe would face segmented liquidity pools, inconsistent settlement conventions and operational friction across payments, treasury and capital-market workflows. The Eurosystem's strategy addresses that risk directly by framing tokenised central bank money as the settlement bridge that supports market integration and prevents the formation of separate private-money silos. Appia, the Eurosystem initiative presented in March 2026 as part of its future-ready financial market architecture, extends this thinking by linking tokenised central bank money to Europe's strategic independence in financial markets and by supporting the safe development of regulated private settlement assets in euro.

Recent transaction-level and market developments suggest that these initiatives are moving beyond conceptual design and into operational deployment. Deutsche Bank has demonstrated euro-denominated cross-border settlement through Partior, highlighting benefits such as real-time confirmation, reduced operational friction and improved liquidity management. In parallel, Reuters reported in April 2026 that French Finance Minister Roland Lescure supported the development of euro-denominated stablecoins and tokenised deposits while backing the Qivalis initiative. Originally launched by ING, UniCredit, BNP Paribas, CaixaBank, KBC, Danske Bank, DekaBank, Banca Sella, SEB and Raiffeisen Bank International, Qivalis has since expanded to 37 participating financial institutions across 15 European countries and is targeting the launch of a euro-denominated stablecoin in the second half of 2026.

The scale asymmetry between dollar-denominated and euro-denominated stablecoins remains a defining feature of the market. Reuters reported in April 2026 that Tether alone exceeded $185 billion in circulation, while the aggregate euro-denominated stablecoin market remained only a fraction of that size. This disparity affects liquidity depth, exchange connectivity, cross-border utility and the role of European institutions within global digital-settlement networks. It also explains why European policymakers increasingly link euro-denominated digital money to strategic autonomy, resilience and payment-system sovereignty.

Europe's monetary layer is therefore expanding into a structured system of interconnected instruments, infrastructures and regulatory frameworks. EMTs and regulated stablecoins are being deployed in programmable payment environments and digital-asset markets. Tokenised deposits are being developed for bank-controlled settlement contexts and workflows that require continuity with deposit-based systems. Wholesale settlement infrastructures such as Fnality are being developed to connect private digital-money environments to settlement mechanisms anchored in central-bank money, supporting finality, interoperability and liquidity efficiency. The digital euro remains under development for retail public-money access. Strategic positioning within this environment depends on aligning the appropriate form of digital money with specific institutional use cases across payments, settlement, treasury and capital markets.

VENTUREBLOXX INSIGHT

Fragmentation in Europe's monetary layer reflects a design phase in which multiple forms of digital money are being developed for distinct institutional functions. Strategic effectiveness depends on operating within a coordinated system in which interoperability, liquidity access, governance, and settlement design determine usability.

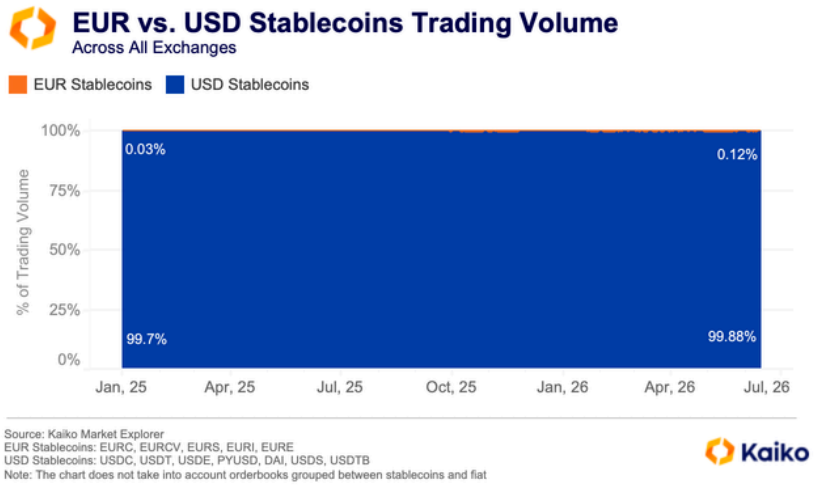
2 The Four Forms of Digital Money in Europe

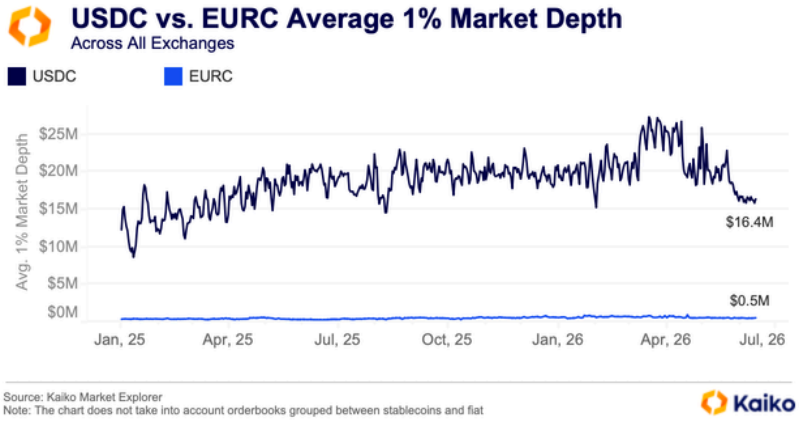
Europe's emerging monetary architecture is structured around four forms of digital money, each aligned with different institutional functions, regulatory frameworks and balance-sheet implications. These instruments are being developed by issuers, banks, market infrastructures and central banks at the same time, and their coexistence reflects differentiated requirements across payments, settlement, treasury management and capital markets. The relevant analytical question is functional positioning rather than headline classification. Institutions need to understand which instrument is suitable for which workflow, how each instrument behaves under stress, and how settlement and governance differ across the stack.

2.1 Regulated Stablecoins and E-Money Tokens (EMTs)

Regulated stablecoins and EMTs represent fiat-referenced digital instruments issued under defined regulatory frameworks, including MiCA in the European Union. Their functional strengths are programmability, portability across digital environments, and compatibility with wallet-based, platform-based and market-based workflows. Euro-denominated EMTs are typically backed 1:1 by deposits and high-quality liquid assets and are designed to support payments, cross-border transfers, on-chain liquidity, and activity in digital-asset markets. Institutions such as Circle, Monerium, and AllUnity are shaping this category in Europe, while Société Générale – FORGE has been operating EUR CoinVertible since 2023 and is extending distribution through new partnerships.

The global supply picture illustrates the challenge facing this category in Europe. Tether's more than $185 billion in circulation and the continued scale of USDC create a liquidity environment in which dollar-denominated stablecoins remain the default settlement asset for a large share of digital-asset activity. Euro-denominated instruments remain materially smaller, which affects depth, market access and the speed at which they can become institutional tools for treasury, payments and settlement. At the same time, MiCA gives euro-denominated instruments a clearer regulatory footing than many global peers, which improves their credibility with European financial institutions.





Kaiko market data illustrates the scale asymmetry clearly. Dollar-denominated stablecoins continue to dominate trading activity and market depth, while euro-denominated instruments remain a much smaller share of exchange activity and available liquidity.

Expert Perspective

Sveinn Valfells
Co-founder & Chair Monerium

To understand **how regulated euro stablecoins are being integrated into payments, treasury operations, and digital financial infrastructure**, Venturebloxx spoke with **Sveinn Valfells, Co-founder & Chair at Monerium.** Their perspective highlights **the role of euro-denominated digital money as a bridge between traditional banking systems and blockchain networks**, and explores how regulated stablecoins may contribute to Europe's evolving payments, settlement, and monetary infrastructure.

Q1. In which institutional use cases do regulated euro stablecoins clearly outperform tokenised deposits or traditional bank money?

At Monerium, we see the strongest institutional demand emerging in areas where money needs to move seamlessly between traditional payment systems and public blockchain networks.
Traditional bank money and tokenised deposits generally remain tied to the infrastructure, operating hours, and balance sheet of a specific institution. By contrast, regulated euro stablecoins such as EURe can operate across wallets, exchanges, custodians, payment applications, and on-chain financial infrastructure while still remaining directly connected to regulated fiat systems and SEPA payment rails.
This is particularly relevant in areas such as:

- on-chain settlement between counterparties using different banking providers
- collateral movement across trading venues and digital asset infrastructure
- treasury operations involving both fiat and digital assets
- programmable payment flows and embedded financial products
- cross-border transfers and settlement outside traditional banking hours
- applications that combine bank payments and blockchain activity within a single user experience

One of the key advantages of EURe is that it combines regulated euro issuance with direct access to banking infrastructure. Monerium introduced programmable Web3 IBANs in 2021, allowing regulated euros to move directly between bank accounts and blockchain wallets in the name of the account holder.
This creates a much more direct operational link between traditional finance and digital asset markets.
We are also seeing growing interest in infrastructure that improves euro liquidity and settlement efficiency on-chain. Through Liquidity on Demand, Monerium has introduced a liquidity model for EURe that allows liquidity to be sourced dynamically as trades are executed rather than relying entirely on fragmented pre-funded pools.
For institutions, the value is not simply tokenisation itself. The value comes from regulated euros becoming programmable, interoperable, and usable across modern financial infrastructure.

Q2. What does adoption require from a risk, treasury, and compliance standpoint inside banks and corporates?

Institutional adoption depends on predictability, operational clarity, and confidence that regulated euro stablecoins can integrate into existing treasury, accounting, and compliance frameworks.
At Monerium, we increasingly see institutions approaching euro stablecoins less as speculative crypto assets and more as operational financial infrastructure.

For adoption to scale, institutions need confidence around:

- regulatory classification and legal treatment
- reserve management and safeguarding structures
- issuance and redemption reliability
- AML, onboarding, and transaction monitoring controls
- integration into existing banking and treasury workflows
- reporting, reconciliation, and auditability
- liquidity sufficient for operational and settlement use cases

The introduction of MiCA has been an important development because it creates a harmonised framework for electronic money tokens across Europe. That regulatory clarity matters for banks, corporates, payment providers, and treasury teams evaluating how regulated euro stablecoins fit into existing financial operations.

At the same time, adoption depends on usability. Institutions do not simply need a regulated token; they need infrastructure that connects banking systems, payment rails, wallets and settlement environments in a reliable and operationally efficient manner. This is why Monerium has focused not only on issuance, but also on SEPA connectivity, programmable IBAN infrastructure and redemption at par. Over time, regulated euro stablecoins are expected to become increasingly embedded within treasury systems, payment workflows and digital financial products.

Q3. How do you see euro stablecoins fitting into Europe's broader monetary sovereignty agenda?

Europe's discussion around monetary sovereignty increasingly extends beyond monetary policy into questions of infrastructure, competitiveness, and technological adaptability.

Today, a significant share of digital asset trading, settlement, and liquidity activity remains denominated in dollars. If Europe wants the euro to remain relevant within emerging digital financial systems, euro-denominated infrastructure needs to be accessible, interoperable, and usable at global scale.

This is where regulated euro stablecoins can play an important role.

EURe was one of the first regulated euro stablecoins issued on public blockchains by an authorised electronic money institution, and we believe Europe is in a strong position to lead in this category because of the regulatory clarity created through MiCA.

The opportunity for Europe is not simply to digitise existing forms of money. It is to ensure that regulated euros can operate natively within modern internet-based financial infrastructure.

That includes:

- global blockchain settlement
- programmable financial applications
- tokenised capital markets
- cross-border payments
- embedded finance
- digital treasury operations

At Monerium, we see growing demand for euro-native infrastructure from fintechs, wallets, payment providers, trading firms, and global digital asset businesses that want direct access to regulated euros on-chain.

Importantly, regulated euro stablecoins do not need to replace existing banking infrastructure or future central bank initiatives to be strategically valuable. They can complement both by extending where and how euros can be used within digital financial systems.

From our perspective, Europe benefits when euro-denominated infrastructure remains open to innovation while maintaining strong regulatory standards and direct connectivity to the existing financial system.
The broader strategic question is whether the euro will remain primarily confined to traditional banking environments, or whether it will also become a globally usable currency within the next generation of programmable financial infrastructure. **Sveinn Valfells, Co-founder & Chair at Monerium**

Other regulated EMI issuers, including Quantoz, are extending this category into payment, settlement and treasury workflows, with particular relevance for cross-border flows where stablecoins can act as a bridge between local fiat payment systems and digital settlement environments.

2.2 Tokenised Deposits: Commercial Bank Money

Tokenised deposits represent a digital extension of commercial bank money issued by regulated financial institutions on distributed ledger infrastructure. They retain the core characteristics of deposits, including balance-sheet recognition and alignment with bank operating models, while enabling programmable settlement in digital environments. Their principal use cases lie in interbank settlement, treasury operations and permissioned financial settings where institutions require continuity with existing monetary and prudential frameworks.

European initiatives in this category include bank-led and consortium-based models in France, Germany and Italy. France's policy and market discussions have focused on digital interbank euro and tokenised deposits as part of broader tokenised-settlement-asset work. In Germany, the Commercial Bank Money Token discussion has involved DZ Bank, Deutsche Bank, Commerzbank, UniCredit and Helaba, alongside large corporates and industrial firms. In Italy, BANCOMAT and nine domestic banks, Banca Generali, Monte dei Paschi di Siena, Banca Sella, Banco BPM, BPER Banca, Cassa Centrale Banca, Credem, Crédit Agricole Italia and Intesa Sanpaolo, have been exploring EUR.BANK, a euro-denominated digital-money initiative intended to support tokenised assets, programmable payments and digital settlement infrastructure.

> *A deposit token, like JPM Coin, is designed to provide institutional clients with an alternative to stablecoins for near-instant, 24/7 settlement and real-time liquidity.*
> ***Emma Landriault, Head of Kinexys Labs, Kinexys by J.P. Morgan***

Kinexys provides an international benchmark because it demonstrates how deposit-based blockchain settlement can operate in production. Tokenised deposits are central to the European banking response because they preserve the commercial bank's role in settlement and funding while enabling digital-market functionality.

While tokenised deposits share many of the technical characteristics of stablecoins, banks and market participants increasingly view them as a distinct category of digital money. Interviews conducted for this report highlight how institutions position tokenised deposits within existing banking, treasury, and settlement frameworks.

> *Tokenised deposits tend to offer a better answer than stablecoins for institutional settlement when institutions need strong legal certainty, regulatory alignment and deep integration with existing banking infrastructure.*
> ***Roberto Pagliari, Director DLT-based Cash & Markets, Commerzbank***

2.3 Bank-Issued Stablecoins and Consortium Models

A third category sits at the intersection of stablecoins and bank-issued money: regulated stablecoins issued either by banks or by consortia of financial institutions. These models combine programmability and distribution ambitions with institutional governance and regulatory alignment. Société Générale – FORGE's EURCV is the leading bank-issued example in Europe.

A distinct model is emerging in Italy through Bancomat, the country's largest domestic payments network. Bancomat's initiative is notable because it combines stablecoin issuance with an established payment-scheme model, bringing together common rulebooks, bank-led distribution and existing payment infrastructure within a regulated digital-money framework.

Other models are also emerging, including Qivalis, a consortium-backed euro stablecoin initiative initially formed by ING, UniCredit, KBC, Danske Bank, DekaBank, Banca Sella, SEB, CaixaBank and Raiffeisen Bank International, with BNP Paribas and DZ Bank later joining, and independent MiCA-regulated issuers such as Quantoz Payments operating under an electronic-money-institution (EMI) framework. Qivalis has since expanded to 37 member institutions across 15 European countries.

The significance of Qivalis extends beyond issuance. By combining banking relationships, distribution networks and institutional credibility within a shared framework, the consortium seeks to address one of the principal challenges facing euro-denominated stablecoins: liquidity formation at scale.

One of the defining characteristics of the European market is its bank-centric approach to digital-money development. Unlike many international markets where innovation is dominated by specialist crypto firms, Europe is seeing increasing involvement from commercial banks, banking consortia and regulated financial institutions operating under banking or EMI frameworks. This reflects a more institutionally integrated approach to digital-money architecture.

This category matters because it attempts to combine the operational strengths of stablecoins with the trust, compliance and banking-system integration expected by institutions. Its scaling path depends on governance design, liquidity formation, on/off-ramp access and distribution partnerships.

The emergence of initiatives such as Qivalis suggests that major European financial institutions increasingly view coordinated issuance and shared infrastructure as important components of the future digital-money ecosystem.

Expert Perspective

Floris Lugt
CFO **Qivalis B.V.**

The emergence of **bank-backed stablecoin consortia** reflects a broader **recognition that scaling digital money requires coordination across institutions, infrastructure providers, and regulatory frameworks**. Venturebloxx spoke with **Floris Lugt, CFO of Qivalis B.V.**, about the **consortium model, governance design, interoperability, and the role of coordinated bank participation in building a scalable euro-denominated digital-money infrastructure**.

Q1: Why is a consortium structure the right model for a European euro stablecoin?

A consortium, such as Qivalis, provides the scale, credibility, trust and governance architecture that a regulated euro stablecoin requires. A stablecoin issued by a single institution would carry that institution's commercial interests and risk profile. A consortium of European banks, each holding an equal share with equal voting rights, such as Qivalis, creates a different proposition entirely: shared infrastructure governed in the interest of the market structured to minimise concentration of control and align governance across participating institutions.

From a practical standpoint, a consortium brings greater liquidity, a broader network, and a shared regulatory standing that reduces the cost and complexity of solo issuance for each member bank. It also directly addresses fragmentation risk: in recent years, multiple separate stablecoin initiatives have launched, creating the possibility of a fragmented market. By joining forces, the consortium banks work towards a single, interoperable European practice.

Importantly, this structure has been designed with supervisors in mind. Governance is neutral and scalable: as new banks join, existing members' stakes adjust. No single institution holds a dominant position. The broader the coalition, the more credible and resilient the shared infrastructure becomes.

For corporate treasurers and institutional clients who need to move significant liquidity on-chain, that governance structure – combined with DNB supervision (pending) – is intended to provide the confidence necessary to operate at institutional scale.

Q2: How do you align multiple banks on governance, interoperability, and rollout?

The governance model is built on a single organising principle: equal stakes, equal votes, no dominant position. Every consortium member holds the same share in Qivalis B.V. and operates under the same governance framework and shareholder agreement.

On interoperability, Qivalis is designed from the outset to be blockchain-agnostic that satisfies the entity's pre-defined compliance criteria. The goal is widespread availability across multiple networks with the objective of enabling deployment across multiple blockchain networks over time, subject to regulatory, compliance, and institutional suitability requirements.

The technology stack is mainly built on open-source, cloud-agnostic infrastructure, specifically to avoid vendor lock-in and ensure portability. The platform is not tied to any single blockchain or cloud provider.

On rollout, banks that join the consortium ahead of the planned H2 2026 commercial launch retain the opportunity to shape the governance framework, technical architecture, and commercial terms while they are still being defined. New members will follow the same onboarding process – introductory meeting, governance review, shareholder agreement, technical integration – and commit to the same principles as founding members.
What we've identified is that every bank implementing digital assets and stablecoins faces similar core questions and challenges. Given Qivalis's unique position - having visibility across these challenges while also bringing deep industry insight - we've established dedicated working groups where experts from member banks come together to tackle topics ranging from use cases to technical standards. We believe this collaborative approach will accelerate banks' development journeys and, in turn, drive broader stablecoin adoption.

Q3: Which use cases matter most first: payments, settlement, or tokenised-asset markets?

Our stablecoin will be designed as a wholesale financial infrastructure intended to serve several institutional use cases simultaneously from launch - largely driven by the banks themselves - rather than a consumer product with a single primary application.

In terms of near-term market reality, we see the journey starting with the immediate, high-demand opportunity found in crypto trading and DeFi. Through our partner network, our stablecoin could reach centralised and decentralised exchanges, lending, and borrowing platforms, addressing a massive gap in the current market. Today, digital asset trading is heavily dominated by USD, forcing even European traders to rely on dollar-denominated stablecoins rather than their native currency.

From this, we expect the stablecoin to naturally expand into the payments perimeter. It can serve as a foundational rail for partners building corporate treasury management and cross-border payment solutions. The infrastructure can enable ecosystem participants to offer 24/7 liquidity movement and near real-time settlement. As this ecosystem matures, it could open the door to more future-oriented use cases like programmable payments, which leverage smart contracts to automate conditional cash flows tied to verified, real-world events.

Looking ahead, the expectation is increasing activity in tokenised asset settlement and digital securities – use cases that require a reliable, regulated euro cash-leg on-chain, which is precisely what Qivalis is designed to provide.

Throughout this journey, Qivalis remains strictly an independent issuer. Our shareholders are vital players for both the payment and settlement use cases, and we are actively taking them along on this journey to ensure our infrastructure scales seamlessly from the crypto native world into mainstream finance.

2.4 Central Bank Money and Wholesale Settlement Infrastructure

Central bank money remains the foundation of the European monetary system. In digital form, its main institutional relevance lies in wholesale settlement. The Eurosystem's Pontes initiative is designed to enable settlement of tokenised transactions in euro-denominated central bank money, providing a common anchor for private digital money instruments. This preserves settlement finality, supports interoperability, and maintains the singleness of money across multiple infrastructures. The ECB's Appia initiative complements that approach by addressing future-ready integration of tokenised financial markets and strategic autonomy in settlement architecture.

At the same time, the ECB continues to develop the digital euro for retail public-money access. Market infrastructures including Euroclear and other FMIs are working with central banks to connect tokenised assets, settlement processes and post-trade infrastructure to this evolving architecture.

The European model therefore places central bank money at the settlement core while enabling regulated private money to operate around it.
Interviews conducted for this report highlight the continuing importance of central bank money as the settlement anchor connecting emerging forms of digital money and tokenised financial infrastructure.

> *Central bank money remains fundamental. It is the safest form and eliminates counterparty credit risk, which is why it is trusted in wholesale financial markets.*
>
> *Fnality provides that settlement layer by enabling bilateral risk exposures from digital asset innovations like stablecoins and tokenised deposits to be extinguished by settling in central bank money.*
> ***Simone Cortese Chief Product Officer, Fnality***

2.5 Functional Positioning Across the Stack

These four forms of digital money are not interchangeable. Stablecoins and EMTs are strongest in payments, cross-border transfers, wallet-based liquidity and digital-asset market activity.

Tokenised deposits and central bank money are strongest in interbank settlement and treasury use cases that require continuity with banking-system structures.

Tokenised asset settlement can involve combinations of central bank money and private settlement assets depending on infrastructure design and legal treatment.

Bank-issued stablecoins and consortium models sit between these categories and can support both payments and market workflows.

VENTUREBLOXX INSIGHT

The European monetary system is evolving into a layered structure in which different forms of digital money are deployed according to function, regulatory alignment and operational requirements. Institutional adoption depends on the ability to integrate these instruments into existing workflows while maintaining interoperability, liquidity access and governance standards.

3 Where Each Form of Digital Money Is Used

Institutional adoption of digital money in Europe is being shaped by function. Payments, interbank settlement, treasury management and tokenised asset markets impose different requirements in liquidity, finality, regulatory treatment and operational control. The selection of a specific form of digital money reflects these constraints and the infrastructure surrounding them.

3.1 Payments and Cross-Border Flows

Payment use cases prioritise speed, reach, programmability and integration with existing financial systems. Stablecoins and EMTs are being deployed in cross-border payments, merchant settlement and digital platform ecosystems where correspondent banking still carries latency, operational complexity and cost. Non-wholesale cross-border flows exceed $40 trillion annually, with a large share concentrated in B2B payments.
Stablecoins are increasingly being evaluated as a settlement layer for these flows, especially in corridors where FX spreads, liquidity constraints and settlement delays remain meaningful. Stripe, OpenPayd, and a growing set of fintech infrastructure providers are positioning stablecoin settlement within treasury, payouts and cross-border workflows.

Expert Perspective

Arnoud Star Busmann
CEO Quantoz

This distinction is especially important for **regulated euro stablecoins**. While institutional narratives often focus on future treasury and payment workflows, current adoption is still uneven across use cases. To **understand where regulated euro stablecoins are delivering value today**, Venturebloxx spoke with **Arnoud Star Busmann, CEO of Quantoz**, about **digital-asset-market usage, cross-border settlement, operational integration and the relationship between stablecoins and existing payment rails.**

Q1. Where are regulated euro stablecoins delivering the strongest value today: merchant payments, treasury, cross-border settlement or digital asset markets?

At the moment, regulated euro stablecoins are mainly used in digital asset markets and DeFi protocols. There may also be some usage in merchant payments through stablecoin cards, although this is still difficult to assess.

At Quantoz, we are using stablecoins in a cross-border flow, and I am confident that we are not the only one. However, I am not certain how large actual uptake is in this use case today.

Q2. What operational capabilities do banks, payment service providers and corporates need before regulated stablecoins can become part of everyday payment and treasury workflows?

For smaller institutions, wallet and key management, or outsourced custody services, need to be integrated into treasury management and payment workflows.

Large institutions and corporates require integration into core banking, payment and ERP systems as a settlement method. Otherwise, introducing stablecoins becomes operationally cumbersome and expensive, because it creates a new parallel process rather than an integrated settlement rail.

Treasury teams also need access to liquidity providers and RFQ workflows if they are managing stablecoin balances themselves.

Q3. How do you see regulated payment stablecoins coexisting with cards, SEPA, instant payments and future digital euro initiatives rather than competing with them?

I see stablecoins as mainly useful for decoupling settlement and liquidity from fiat money movement in cross-border payments.
Because stablecoins allow instant cross-border settlement, they can reduce settlement risk for beneficiaries. That risk is replaced by counterparty risk on the issuer, which can be mitigated through direct access to the issuer for redemption when time is less critical, or through access to liquidity providers that can convert stablecoins into another settlement asset, such as another stablecoin or fiat currency.
Stablecoins can also help payors avoid maintaining prefunded positions in the right currency in local bank accounts to ensure fast settlement. Payment institutions can reduce prefunding requirements by settling, or receiving settlement, in stablecoins before payouts.
From a finance perspective, this moves balances much faster from receivables to cash equivalents.

SEPA can address this within Europe, but not across global corridors. Cards may solve smaller merchant-facing payment flows, but stablecoin adoption as a settlement asset for card issuers remains at a very early stage. It may, however, become useful for payment institutions in the future. Instant payments and the digital euro are primarily local settlement solutions, where stablecoins are not necessarily needed. But when value needs to move between instant payment networks, for example between SEPA Instant in the EU and PIX in Brazil, stablecoins can act as the mechanism to bridge those systems.

Stablecoins are therefore complementary, not competing.

3.2 Interbank Settlement

Interbank settlement requires finality, liquidity efficiency and legal certainty. Tokenised deposits and central bank money are the main instruments under development for this function. Tokenised deposits enable banks to settle within controlled environments that remain aligned with existing balance-sheet structures. Central-bank-linked settlement mechanisms are being developed to support atomic settlement and reduce counterparty risk in tokenised transaction environments.

The ECB's legal opinion on tokenised settlement assets and the design of Pontes reinforce this function-specific positioning. Recent industry initiatives, including Deutsche Bank's use of Partior for euro-denominated cross-border settlement, illustrate how financial institutions are evaluating DLT-based settlement infrastructure as a means of supporting more efficient cross-border transactions, enhanced operational coordination and new approaches to liquidity management.

> *The primary impact is on liquidity management and capital efficiency.*
>
> *This allows liquidity to be recycled throughout the day, improving overall efficiency while reducing settlement risk.*
> ***Simone Cortese, Chief Product Officer, Fnality***

Interviews conducted for this report suggest that the primary institutional benefits of modern settlement infrastructure extend beyond transaction execution and increasingly focus on liquidity efficiency, capital utilisation and risk reduction.

> *A deposit token, like JPM Coin, is designed to provide institutional clients with an alternative to stablecoins for near-instant, 24/7 settlement and real-time liquidity.*
> *Deposit tokens are both a strong 'hold' asset due to their profile as yield-bearing commercial bank deposits and 'payment' assets.*
> ***Emma Landriault Head of Kinexys Labs, Kinexys by J.P. Morgan***

> *Tokenised deposits tend to offer a better answer than stablecoins for institutional settlement when institutions need strong legal certainty, regulatory alignment and deep integration with existing banking infrastructure.*
> ***Roberto Pagliari Director DLT-based Cash & Markets, Commerzbank***

3.3 Treasury and Liquidity Management

Treasury use cases focus on liquidity optimisation, yield generation and balance-sheet efficiency. Stablecoins, tokenised money market instruments and on-chain credit markets are increasingly relevant because they can improve cash deployment, reduce idle balances and create new forms of capital allocation. Institutions are assessing these instruments in the context of multi-rail liquidity strategies where funds move across bank accounts, wallets, tokenised funds and market venues. The ECB's April 2026 work on tokenised MMFs shows that this discussion is broadening beyond payments into treasury architecture and capital management.

Expert Perspective

Faustine Fleuret
Global Head of Public Affairs Morpho

As treasury teams increasingly evaluate how digital money can be deployed rather than simply held, on-chain credit markets are emerging as a new layer of liquidity, collateral, and yield infrastructure. Venturebloxx spoke with **Faustine Fleuret, Global Head of Public Affairs at Morpho**, about **how institutions are using stablecoins, tokenised assets, and on-chain lending markets to support treasury management, capital allocation, and liquidity optimisation.**

Q1. How are institutions using stablecoins and tokenised assets to manage liquidity and capital allocation in practice?

Institutions are increasingly moving beyond using stablecoins purely as a settlement rail and starting to put them to work. On Morpho, we see this through the growth of curated vaults, where stablecoins like USDC are deposited and actively deployed into lending markets to generate yield. The Coinbase USDC lending product is a good example of this shift in practice: retail deposits are routed through a Morpho Vault, creating a seamless experience where stablecoins become productive rather than idle.

On the tokenised asset side, RWA deposits on Morpho grew from near zero at the start of 2025 to around $400 million by Q3, and those assets are increasingly being used as collateral in institutional lending strategies rather than just being held as a portfolio position.

Q2. What advantages do on-chain credit markets provide in terms of capital efficiency, collateral usage, and liquidity access?

The main advantage is global unfragmented liquidity, transparency and programmability. on-chain lending markets give institutions complete visibility into positions, collateral ratios, and liquidation mechanics in real-time, which is simply not possible in traditional credit.

From a capital efficiency standpoint, Morpho's architecture allows funds to be matched directly between lenders and borrowers rather than pooled, which improves utilization rates. Collateral can also be a much broader set of assets, including tokenised funds and real-world assets, opening up new forms of leverage that would require significant intermediation in traditional markets. Liquidity access is more continuous too, since markets operate around the clock without settlement delays.

Q3. How are on-chain lending markets integrating into broader institutional treasury and liquidity strategies?

We are starting to see on-chain lending become a genuine component of treasury management rather than a side experiment. Institutions use Morpho Vaults to park liquidity between payment cycles and earn yield without taking on complex counterparty risk. For example, the integration by Société Générale - Forge, which created lending markets for its MiCA-compliant stablecoins on Morpho, illustrates how a regulated bank can use on-chain infrastructure to extend its existing business rather than replace it.

The key shift is that treasury teams are beginning to treat programmable on-chain liquidity as complementary to their traditional tools, not as a separate crypto activity.

Q4. What constraints still limit institutional participation in on-chain credit markets today?

Regulatory uncertainty remains the most significant friction. Even where MiCA provides a framework, many institutions are waiting for clearer guidance on how DeFi protocols fit within their existing compliance obligations, particularly around AML, counterparty identification, and accounting treatment.

Q5. What needs to happen for on-chain liquidity markets to scale as part of mainstream financial infrastructure?

Regulatory frameworks need to mature and converge, particularly in Europe where MiCA creates a foundation but there are gaps around DeFi. What we need is a regulatory framework with a vision that understands what on-chain lending infrastructure for what it is. Supervisors and legislators across Europe need to engage seriously with these questions now, before market structure gets set elsewhere.

Europe has a real opportunity here. MiCA gives the region a head start on stablecoin regulation, and the presence of major banks like Société Générale already engaging with on-chain lending infrastructure shows this is not just a US story.

The question is whether European institutions and policymakers move quickly enough to shape how these markets develop, or whether they default to a reactive posture as adoption accelerates elsewhere.

3.4 Tokenised Asset Settlement

The growth of tokenised securities, funds and other financial instruments requires a corresponding evolution in settlement infrastructure. The cash leg must align with the characteristics of the asset layer, including programmability, interoperability and, in some cases, atomic settlement. Central bank money, tokenised deposits and regulated stablecoins are all being considered for these workflows.

The choice depends on legal treatment, settlement design, infrastructure participation and risk tolerance. Market infrastructures including Euroclear, SIX Digital Exchange and Monee are relevant because they are building environments where issuance, trading, custody and settlement can be integrated.

Expert Perspective

Sébastien Van Campenhoudt
Director, Innovation & Digital Assets, Tokenized Cash Lead Euroclear

As tokenised securities move from pilot projects toward production markets, the design of settlement infrastructure is becoming as important as the assets themselves. Venturebloxx spoke with **Sébastien Van Campenhoudt, Director, Innovation & Digital Assets,Tokenized Cash Lead at Euroclear**, about **settlement assets, interoperability, and the infrastructure requirements needed to scale tokenised capital markets beyond isolated deployments.**

Q1. What form of digital money is most suitable for settling tokenised securities in Europe, and why?

When it comes to settling tokenised securities in Europe, the starting point for us is very clear: given the systemic role of CSDs, the form of cash we can use is strictly framed at global level by the Principles for Financial Market Infrastructures and, in Europe, by CSDR. These safeguards exist to protect financial stability, and today apply equally whether securities are traditional or tokenised.
In that context, central bank money is and will remain the preferred settlement asset whenever it is available and practicable. This choice is driven by very concrete reasons: central bank money is free of credit risk, ensures robust settlement finality, underpins financial stability, and preserves monetary sovereignty. For an infrastructure like Euroclear, which settled last year transactions for around €1.4 quadrillion, those characteristics are fundamental. This is also why we strongly support Eurosystem's work on providing a wholesale CBDC through Pontes as from Q3 2026 and through Appia in the longer term.

That said, regulation also recognises that central bank money may not always be available or practicable. In those cases, other forms of cash can be used. In a tokenised environment, this includes tokenised deposits and regulated stablecoins. Both have strengths and limitations, and it is difficult to say that one is inherently more suitable than the other.

As a neutral market infrastructure, it is not our role to pick winners. Ultimately, the choice will depend on two main factors: what our clients want to use, and on whether the digital money meets the strict safety, resilience and risk-management standards required for use in systemic market infrastructures, so as to safeguard the stability of capital markets.

Q2. How do institutions manage the relationship between the asset leg and the cash leg in tokenised transactions in practice?

In practice today, institutions manage the relationship between the asset leg and the cash leg in tokenised transactions through hybrid settlement models. While the long-term vision often points to fully atomic, on-chain delivery-versus-payment, most live and near-production use cases rely on coordination between distinct infrastructures. Typically, the securities leg sits on a DLT-based platform, while the cash leg remains anchored to central bank money or commercial bank money, sometimes represented in tokenised form. The two legs are often linked through prefunding, synchronisation mechanisms and well-defined settlement sequencing, ensuring an all or nothing transaction with legal certainty and robust settlement finality.

This strict sequence is intentional as for systemic markets, finality and risk management remain paramount, which explains why tokenised cash solutions often rely on traditional payment systems as the ultimate point of settlement in a number of live use cases. Tokenisation, in that sense, acts as an efficiency layer rather than a wholesale replacement of existing settlement rails.

Looking ahead, however, a different model is envisaged. As infrastructures, regulation and digital money mature, distribution models in which both the cash and securities legs coexist on the same network are emerging. This applies both to wholesale central bank digital money and to private digital money arrangements. In such configurations, true atomic settlement becomes more straightforward, while governance and access controls remain critical.

From a Euroclear perspective, the key is not prescribing one architecture, but ensuring that whatever model is used delivers value to our clients while ensuring settlement finality, robustness and trust at scale.

Q3. What infrastructure and settlement conditions are required for tokenised asset markets to scale beyond pilot environments?

To scale beyond pilot environments, tokenised asset markets must above all solve the question of interoperability. Technology has largely proven that tokenisation works. What is missing is the ability to embed these new forms of assets into the broader financial system in a way that preserves liquidity, trust and efficiency.

First, there must be strong interoperability between traditional and tokenised infrastructures. Most assets, liquidity and participants sit in existing market infrastructures. Trying to rebuild a parallel ecosystem from scratch would take a very long time to reach critical mass. Connecting tokenised platforms to existing CSDs, payment systems and collateral infrastructures is therefore essential to achieve scale quickly and safely.

Second, interoperability is also needed between tokenised infrastructures themselves. If each DLT network operates as a closed environment, assets risk being trapped in isolated “digital islands”. Fragmentation is the enemy of liquidity, and liquidity is what ultimately defines whether a market can operate at scale.

Finally, there is a less visible but equally important dimension: regulatory interoperability. Capital markets are global by nature. tokenised assets will only scale if they can move across jurisdictions supported by regulatory frameworks that are trusted and considered equivalent.

In short, scaling tokenisation would benefit from having neutral, FMI-grade infrastructures that facilitate interoperability by bridging worlds, connecting networks, and providing trust through their regulatory standing.

3.5 Functional Overlap and Coordination

Institutional workflows frequently span multiple functions. A single transaction may involve payment, settlement and treasury considerations at the same time. This creates a requirement for coordination across instruments and infrastructures, including interoperability between wallets, bank systems, custody models and settlement rails. Central bank settlement layers, interoperability standards and shared infrastructure therefore play a foundational role in enabling cross-functional workflows.

Qivalis argues that institutional adoption increasingly depends on infrastructure capable of supporting multiple institutional workflows rather than a single use case in isolation. Its model is designed as wholesale financial infrastructure serving trading, payments, treasury, cross-border transactions and tokenised-asset settlement within a common framework. This reflects the growing institutional preference for infrastructures capable of supporting multiple operational functions within a consistent operating framework.

VENTUREBLOXX INSIGHT

Institutional use of digital money is defined by function. Payments, settlement, treasury and capital markets impose distinct requirements that shape instrument selection. Adoption depends on the ability to integrate these instruments into coordinated workflows, supported by interoperability, liquidity management and regulatory alignment.

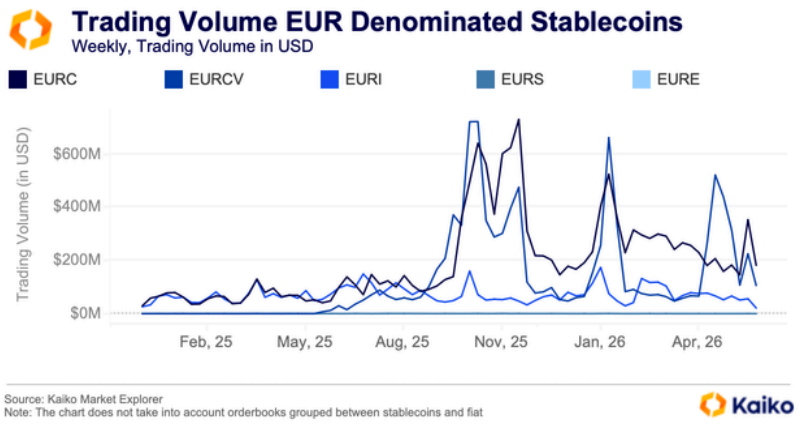
The value proposition of tokenisation extends beyond digitising assets themselves and increasingly includes programmability, collateral mobility, operational efficiency and the ability to coordinate multiple market functions within a shared infrastructure environment.

4 Liquidity, Treasury & Capital Allocation

Liquidity is the central driver of institutional engagement with digital money. Decisions around settlement instruments, payment rails and asset tokenisation are anchored in how capital is sourced, deployed and managed across balance sheets and treasury functions. Digital money is becoming relevant because it changes the liquidity environment in which institutions operate.

4.1 On-Chain Liquidity Formation

Liquidity is increasingly being formed and managed within digital environments, including stablecoin markets, tokenised funds and on-chain credit protocols. These environments provide continuous access to capital, with settlement and collateral management taking place near real-time. Stablecoins act as the base liquidity layer for digital-asset markets, and their role extends beyond payments into trading, lending and collateral.



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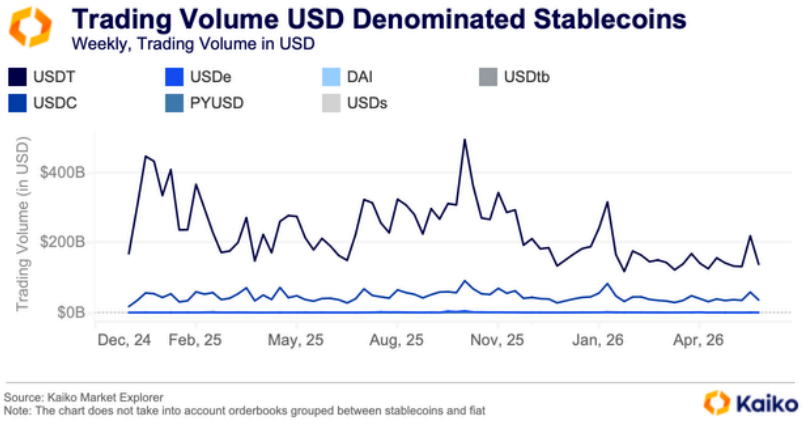


Trading activity remains highly uneven across currency categories and individual stablecoin instruments. Kaiko data shows that euro-denominated stablecoin trading is developing, but remains smaller and more episodic than the trading activity of major dollar-denominated stablecoins.

Tokenised MMFs and on-chain credit markets expand this layer further by giving institutions ways to allocate short-term capital while maintaining digital settlement capability.

Interviews conducted for this report suggest that institutional adoption increasingly depends not only on digital settlement capabilities, but also on the ability to deploy and manage liquidity efficiently across digital financial infrastructure.

> *On Morpho, we see this through the growth of curated vaults, where stablecoins like USDC are deposited and actively deployed into lending markets to generate yield. Institutions use Morpho Vaults to park liquidity between payment cycles and earn yield without taking on complex counterparty risk.*
>
> ***Faustine Fleuret, Global Head of Public Affairs, Morpho***

4.2 Treasury Operations and Multi-Rail Liquidity

Institutional treasury functions are adapting to multi-rail liquidity environments in which funds are distributed across bank accounts, digital wallets and tokenised instruments. Treasury teams must manage liquidity visibility, exposure to different settlement instruments, and reconciliation across fiat and digital systems.

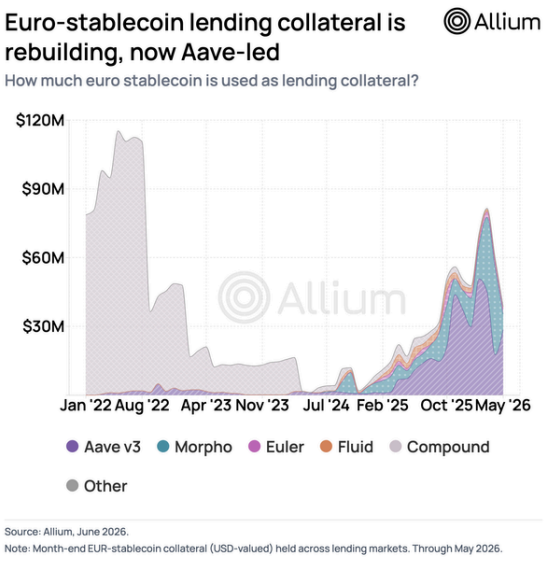
Interviews conducted for this report suggest that treasury teams are increasingly evaluating digital-money infrastructure not only as a settlement mechanism, but also as a tool for liquidity deployment, capital efficiency and cash management.

> *The key shift is that treasury teams are beginning to treat programmable on-chain liquidity as complementary to their traditional tools, not as a separate crypto activity." "Institutions use Morpho Vaults to park liquidity between payment cycles and earn yield without taking on complex counterparty risk.*
>
> ***Faustine Fleuret, Global Head of Public Affairs, Morpho***

Multi-rail treasury architecture introduces operational complexity and opens the possibility of more efficient capital deployment through real-time settlement and programmable transfers. OpenPayd and similar infrastructure providers are relevant here because they sit at the point where treasury operations intersect with payment orchestration.

4.3 Yield, Capital Efficiency and Constraints

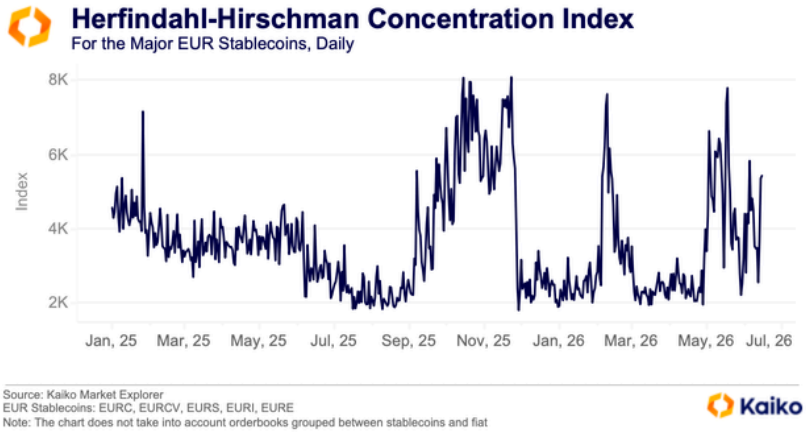
Yield generation matters because it affects the economic rationale for holding digital money. Stablecoins and tokenised assets provide access to lending, fixed-income and credit-market opportunities. Regulatory and market-structure constraints, however, limit how yield can be generated directly from regulated digital money issuance. For EMTs and regulated stablecoins, reserve composition restricts the optimisation of reserve income. Tokenised MMFs and short-term credit instruments therefore become relevant as alternative vehicles for capital deployment within a regulated framework. The ECB's 2026 analysis of tokenised MMFs identifies both efficiency gains and familiar liquidity, settlement and operational risks associated with tokenised fund structures.

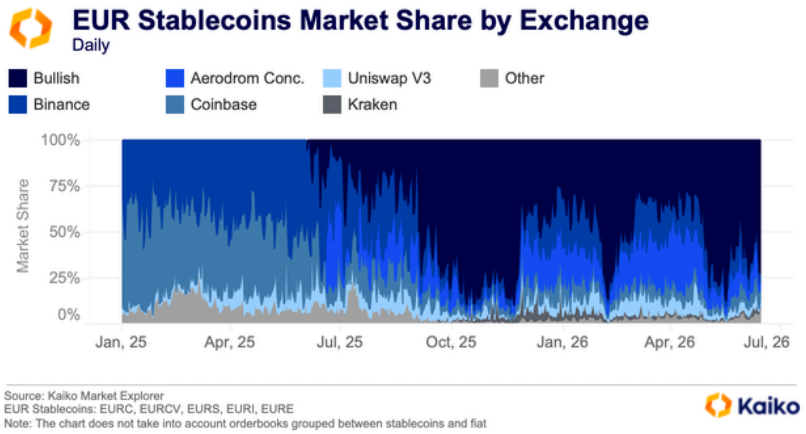


Allium on-chain data shows that euro-denominated stablecoins are reappearing in lending and collateral markets. The market remains small relative to dollar-denominated stablecoin credit activity, but renewed growth in euro-stablecoin collateral across lending protocols indicates that regulated euro liquidity may increasingly support collateralised credit and on-chain capital-allocation use cases.

4.4 Liquidity Fragmentation and Aggregation

The proliferation of digital-money instruments and platforms creates fragmentation across liquidity pools. Stablecoins, tokenised deposits and other settlement instruments are distributed across multiple blockchains, exchanges and infrastructures.





Kaiko's concentration and venue-level data show that euro stablecoin liquidity is not only smaller than dollar stablecoin liquidity, but also unevenly distributed across issuers and trading venues. This reinforces the importance of liquidity aggregation, exchange connectivity and routing infrastructure for institutional use.

This affects pricing consistency, execution efficiency and capital allocation. Institutions require mechanisms to aggregate liquidity, route transactions efficiently and manage exposure across multiple environments.

Interviews conducted for this report highlight that scaling digital-money markets depends not only on the availability of liquidity, but also on the ability to connect fragmented pools across infrastructures, jurisdictions and settlement environments.

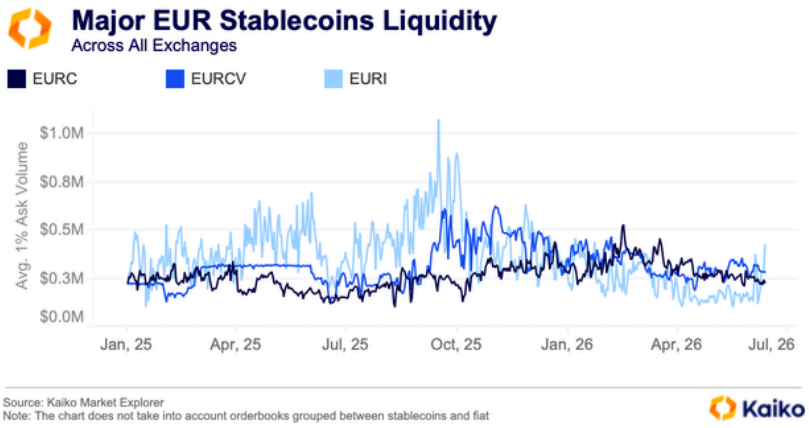
> *Interoperability is the real scaling constraint. Moving from controlled sandbox conditions to production requires connectivity across central banks, commercial banks, custodians, and market infrastructures without recreating fragmentation.*
>
> ***Yaniv Gidron Co-founder, Monee Financial Technologies***

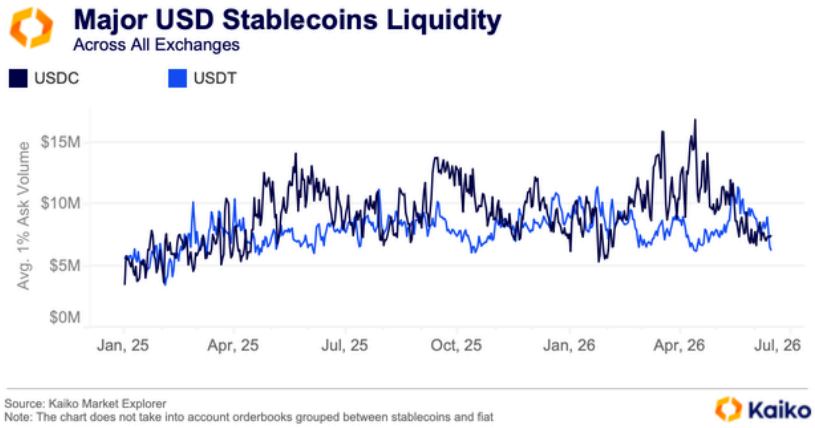
Liquidity providers, trading firms and infrastructures that can connect these pools will shape market efficiency.

> *Through Liquidity on Demand, Monerium has introduced a liquidity model for EURe that allows liquidity to be sourced dynamically as trades are executed rather than relying entirely on fragmented pre-funded pools."*
>
> ***Sveinn Valfells, Co-founder & Chair, Monerium***

4.5 Liquidity in Cross-Border and FX Contexts

Cross-border transactions add foreign-exchange and regulatory complexity to liquidity management. Stablecoins are increasingly being used to facilitate cross-border liquidity by reducing reliance on correspondent banking networks and enabling faster settlement. FX remains central because institutions must manage currency exposure, pricing and timing across jurisdictions and platforms.





Liquidity depth remains one of the practical constraints for euro-denominated stablecoin adoption. Kaiko data shows that major euro stablecoins have developed measurable exchange liquidity, but the available depth remains materially below the liquidity available in major dollar-denominated stablecoins.

The integration of stablecoins into FX and cross-border settlement workflows has the potential to improve transparency, reduce settlement frictions and improve capital efficiency in corridors where liquidity, operating hours and intermediary costs remain significant constraints.

VENTUREBLOXX INSIGHT

Liquidity is the central organising principle of digital money adoption. Institutional engagement is driven by the ability to access, deploy and optimise capital across multiple settlement environments. Digital money instruments are evaluated according to their contribution to liquidity efficiency, yield generation, operational flexibility and cross-border capital mobility.

5 Who Captures Value: Business Model Layer

Value creation in the digital money stack is distributed across issuance, distribution and infrastructure. Each layer captures revenue through different mechanisms shaped by regulation, liquidity, and access to customer flows. As digital money integrates into mainstream financial workflows, value capture is moving further away from pure issuance economics and deeper into distribution and operating infrastructure.

5.1 Issuance Economics

Stablecoin issuers generate revenue primarily through the management of reserve assets. Fiat-backed stablecoins and EMTs are usually backed by deposits and high-quality liquid assets, including short-term government securities. Interest on those reserves provides the core revenue stream. For large issuers this model has become significant in scale, as shown by public disclosures from major stablecoin companies. In Europe, MiCA and related supervisory expectations constrain reserve allocation more tightly than in some offshore models, which affects the economics of euro-denominated issuance. That constraint is one reason euro stablecoins face both a profitability and a scale challenge compared with dollar-based competitors.

Interviews conducted for this report suggest that the long-term economics of digital money may depend not only on reserve income, but also on the ability to position regulated digital money as operational financial infrastructure.

5.2 Distribution Economics

Distribution determines access to users, liquidity and transaction volume. PSPs, fintech platforms, card networks and exchanges act as intermediaries between issuers and end users. Revenue at this layer is generated through transaction fees, FX spreads, payment-processing fees and value-added workflow services. Institutions that integrate stablecoins into payment flows, treasury processes and digital platforms capture value through volume and customer relationships.

In Europe, where no euro-denominated stablecoin has yet achieved significant global scale, distribution is likely to be as important as issuance. Access to exchanges, wallets, payment providers and corporate customers ultimately determines liquidity formation and transaction volume. As digital money becomes embedded within payments, treasury and capital-markets workflows, value increasingly accrues to institutions that control customer access, transaction flows and distribution networks.

5.3 Infrastructure Economics

Infrastructure providers capture value by enabling the operation of digital money systems. This includes custody, wallet management, transaction processing, compliance and interoperability services. Revenue streams include custody fees, processing fees, API monetisation, compliance services and orchestration. Institutions depend on secure, regulated, interoperable systems to manage assets and execute transactions. This creates demand for specialised providers such as Fireblocks, BVNK, Tangany, Zodia, TRM and other platform operators.

As digital money moves into treasury and settlement workflows, infrastructure economics become more central to the market.

Interviews conducted for this report suggest that infrastructure providers increasingly compete on interoperability, liquidity orchestration and the ability to integrate digital-money workflows into existing financial systems.

5.4 Interaction Between Layers

Issuers depend on distribution channels to reach users. Distribution platforms depend on infrastructure to support operations. Infrastructure providers benefit from transaction growth driven by issuance and access. Changes in one layer shift value across the stack.

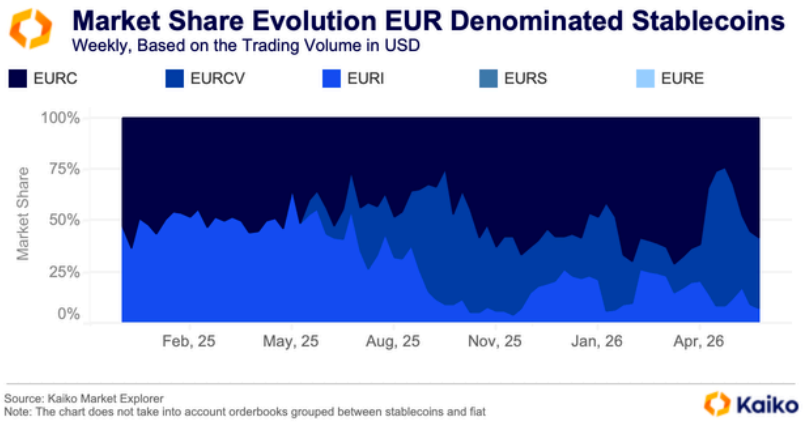
Competition among issuers can compress reserve-driven margins. Expansion of distribution channels can increase flow-based revenues. Better infrastructure can reduce operating friction and increase adoption. Institutions therefore need to understand the interaction across all three layers when assessing their market position.

> *A consortium brings greater liquidity, a broader network, and a shared regulatory standing.*
>
> ***Floris Lugt, CFO, Qivalis B.V.***

Increasingly, competitive advantage emerges from coordination across layers rather than strength in any single layer. Consortium initiatives such as Qivalis illustrate this dynamic by combining issuance, distribution, governance and infrastructure within a shared framework designed to increase liquidity, interoperability and institutional adoption. As participation expands, network effects strengthen the entire stack, making value creation increasingly dependent on ecosystem coordination rather than individual products.

5.5 Market Developments and Trends

Recent developments show how value is being redistributed. Mastercard's announced acquisition of BVNK strengthens its position in fiat/on-chain payment connectivity. Visa's work with Bridge extends stablecoin value capture into card-linked and merchant-facing channels. Bank-led stablecoin and tokenised-deposit initiatives seek to preserve balance-sheet and customer-interface control. Infrastructure providers are investing further in compliance, wallet control and interoperability. The economic centre of gravity is moving toward access, orchestration and workflow embedding.



Kaiko data shows that trading-volume share within the euro-denominated stablecoin category remains fluid. EURC, EURCV, EURI, EURS and EURe have each gained and lost share over the observed period, suggesting that the euro stablecoin market has not yet consolidated around a single dominant instrument. This reinforces the importance of exchange access, liquidity depth and distribution partnerships in determining which euro stablecoins become institutionally relevant.

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Value in the digital money stack is increasingly determined by control over issuance, distribution and infrastructure rather than by issuance alone. Institutions that combine customer access, liquidity, interoperability and workflow integration are positioned to capture a growing share of transaction flows, treasury activity and digital-financial-market infrastructure.

6 Distribution & Access Layer

Distribution is becoming a decisive variable in the economics and adoption profile of digital money in Europe. Issuance determines the legal, reserve and supervisory profile of a stablecoin or EMT. Distribution determines who can access it, where it can circulate, how it is embedded into payments and treasury workflows, and which institutions capture transaction volume and customer relationships.

In the European context, this layer has strategic significance because the market remains fragmented across banks, PSPs, card networks, wallets, exchanges and digital-asset infrastructure providers, while dollar-denominated stablecoins continue to benefit from greater liquidity depth and broader international reach. The ECB has tied this question directly to strategic autonomy by arguing that Europe needs EU-governed, euro-denominated private settlement assets alongside central bank money in order to support innovation without increasing dependence on non-European rails.

6.1 Distribution Determines Market Reach

In practical terms, distribution controls four things: wallet access, payment acceptance, on/off-ramp connectivity, and integration into regulated financial workflows.
Interviews conducted for this report suggest that distribution increasingly depends on the ability to connect regulated digital money directly to existing banking, payment and wallet infrastructure.

> *One of the key advantages of EURe is that it combines regulated euro issuance with direct access to banking infrastructure.*
>
> *This creates a much more direct operational link between traditional finance and digital asset markets." "At Monerium, we see growing demand for euro-native infrastructure from fintechs, wallets, payment providers, trading firms, and global digital asset businesses that want direct access to regulated euros on-chain.*
>
> ***Sveinn Valfells, Co-founder & Chair, Monerium***

A stablecoin with limited exchange access, no PSP integrations, and no card-linked usability will remain constrained even when its regulatory and reserve profile is sound. Europe's digital money market is developing unevenly in part because the euro-denominated issuance base remains small relative to the dollar market, while many of the highest-scale access channels are global and frequently controlled outside the euro area. Reuters reported in April 2026 that Tether exceeded $185 billion in circulation, while Société Générale – FORGE's euro stablecoin remained near €107 million.

That imbalance affects liquidity depth, transaction routing, and the commercial incentives of institutions choosing between euro and dollar instruments.

6.2 Card Networks, Wallets and the New Access Layer

Recent developments show that card networks and wallet infrastructure are becoming integral to stablecoin distribution. Visa announced on 3 March 2026 that Bridge-enabled stablecoin-linked cards were already live in 18 countries, with planned expansion to more than 100 countries across Europe, Asia Pacific, Africa and the Middle East by year-end. Visa stated that these cards could be used across its network of more than 175 million merchant locations. This development matters because it extends stablecoin balances into mainstream spending and treasury-linked payment environments, rather than confining them to crypto-native venues. Visa also launched a validator node on the Tempo blockchain in April 2026, indicating a broader role across both the product and infrastructure layers of stablecoin distribution.

Mastercard has moved in the same direction. On 17 March 2026 it announced an agreement to acquire BVNK in a deal valued at up to $1.8 billion, positioning the acquisition as a way to connect on-chain payments and fiat rails, support stablecoins, tokenised deposits and tokenised assets, and expand its end-to-end value-transfer capabilities. Mastercard also launched a new Crypto Partner Program in March 2026, tying stablecoin integration directly to its broader strategy around digital-asset infrastructure, wallet connectivity and payment acceptance.

These developments extend stablecoin access into merchant-facing payment environments, but the settlement role of stablecoins within card networks remains less mature.

> *Cards may solve smaller merchant-facing payment flows, but stablecoin adoption as a settlement asset for card issuers remains at a very early stage.*
>
> ***Arnoud Star Busmann, CEO, Quantoz***

The near-term opportunity may therefore sit less in replacing card rails and more in enabling payment institutions to manage settlement, liquidity and payout flows across different payment networks.

6.3 Banks, PSPs and Financial Interfaces

European distribution is also being shaped by banks and payment service providers that control regulated customer interfaces, account infrastructure, FX execution and compliance workflows. The ECB's February 2026 speech on monetary sovereignty made clear that the digital euro distribution model would rely on EU-licensed PSPs and that compensation structures should strengthen European payments competition. That principle extends beyond the digital euro itself. It highlights a broader policy objective: keeping strategically important customer-facing financial interfaces inside the European regulatory perimeter. The Eurosystem's March 2026 payments strategy makes the same point in institutional terms by linking euro-denominated private settlement assets to competitive and resilient European payments.

For PSPs and financial infrastructure platforms, this creates a commercial opening. Stablecoins can be integrated into treasury operations, cross-border settlement, merchant or platform payouts, and selected payroll or settlement workflows without requiring end users to interact directly with digital assets. Stripe's stablecoin payments legal terms already cover the European Economic Area, which signals that large infrastructure platforms are formalising stablecoin-based payment settlement within mainstream business products. The significance lies in workflow integration: distribution is increasingly taking place through regulated financial interfaces rather than through exchanges alone.

Expert Perspective

Aurélie Pagon
Head of Processing and Financial Institutions Compliance Worldline

As stablecoins move beyond crypto-native environments and into regulated payment workflows, PSPs and merchant acquirers are becoming critical distribution and integration points. Venturebloxx spoke with **Aurélie Pagon, Head of Processing and Financial Institutions Compliance at Worldline**, about **how payment providers are integrating stablecoins into existing payment infrastructure while navigating regulatory, operational and scheme-level requirements.**

Q1. How are PSPs and merchant acquirers addressing compliance, regulatory, and scheme-level requirements when integrating stablecoins in Europe?

For most PSPs and merchant acquirers, the core compliance question is "how do we integrate them into payment and settlement workflows in a way that fits within MiCA, DORA, AML/CFT expectations, and evolving scheme rules, and who in the value chain takes which licence and risk". From a PSP perspective, this means designing stablecoin flows so that each actor (Issuer, CASP, PSP, Scheme, Bank) operates within a clearly defined regulatory perimeter, and ensuring that what happens on-chain remains compatible with how card networks and payment schemes expect transactions to be authorised, cleared and settled.
Worldline itself does not hold a MiCA licence today, and we do not position ourselves as an issuer of EMT (e-money tokens) or as a CASP (Crypto-Asset Service Provider). Instead, we operate as a processing and infrastructure layer, working with regulated partners — including e-money token issuers and licensed crypto service providers — who handle issuing, custody, and on-chain transfers, while we focus on orchestration, connectivity, and integration into payment flows. In our partnership with Fipto, for example, the goal is to enable merchants, banks and financial institutions to access stablecoin-based payment and settlement rails without requiring them to rebuild their entire payment stack or assume direct on-chain operational risk.

From a regulatory standpoint, MiCA is a key enabler for this type of architecture. It defines a clear framework for e-money tokens (EMTs), which are stablecoins fully backed by a single fiat currency, issued by authorised credit institutions or e-money institutions, with a 1:1 reserve, redemption rights and strong disclosure obligations. That regulatory clarity — combined with existing AML/CFT and "travel rule" expectations for virtual asset transfers — allows PSPs to treat stablecoin settlement as an extension of familiar e-money and payment services regimes, rather than as a completely uncharted risk.

For European PSPs, third-party risk management is becoming just as important as licensing questions. Under DORA and our broader Third Party Risk Management (TPRM) framework, partnerships with stablecoin infrastructure providers such as Circle and Fipto are treated as critical ICT third-party relationships: we apply robust due diligence, contractual safeguards, ongoing monitoring and clear exit planning, rather than treating them as 'pure tech' add-ons at the edge of our stack.

Last, scheme-level requirements are increasingly part of this picture. Visa's USDC settlement programmes and Mastercard's Multi-Token Network (MTN) show that card networks are opening clearly defined corridors where stablecoins can be used as a funding or settlement layer, while authorisation and dispute rules continue to follow familiar card standards.

For PSPs, the practical implication is that stablecoin projects must be engineered so they "fit" into these programme frameworks — for example by ensuring that crypto-funded or stablecoin-backed transactions still comply with scheme rules on KYC, fraud, chargebacks and data, and by treating stablecoin settlement as a complement to, rather than a replacement for, existing card and account-to-account rails.

Q2. How are PSPs and merchant acquirers integrating stablecoins into real payment and settlement workflows?

A pattern we see emerging is to treat stablecoins as a programmable settlement rail behind the scenes, rather than as a consumer product in their own right. In practical terms, the front-end experience for the merchant often remains "traditional": they initiate or receive a payment instruction in fiat, they reconcile in their usual systems, and they interact with their PSP via established APIs. The innovation sits in how the funds actually move between institutions and across borders.

In a typical cross-border B2B or merchant payout flow, the sequence may look like this: a merchant or corporate initiates a payment instruction in fiat; the PSP or a specialist partner converts the amount into a regulated stablecoin such as USDC or a euro-denominated EMT; the funds are transferred on-chain to the beneficiary or its service provider; and finally the beneficiary can either hold the stablecoin or convert back into fiat via their own partner. This "fiat in → stablecoin on-chain → fiat out" structure is increasingly common in B2B cross-border solutions, and it is also the model underpinning several stablecoin payout and treasury products in the market.

Our partnership with Fipto is an example of this approach applied to merchant settlement in Europe. The objective is to allow merchants and financial institutions to benefit from faster, programmable settlement in stablecoins, while maintaining full interoperability with existing schemes and payment rails. For Worldline, the operational challenge is not just building the technical bridges; it is ensuring that every leg of the flow — from KYC and wallet screening to reconciliation and reporting — meets the standards expected from a major European payment processor.

Q3. Which merchant-facing or B2B payment use cases are currently moving fastest into production?

At Worldline, we see four stablecoin and digital money use cases moving fastest from experimentation into concrete pilots and early production:

- Merchant acceptance of digital assets, with fiat settlement. In this model, customers can pay using crypto or stablecoins, but merchants continue to receive fiat into their existing settlement accounts. The on-chain leg is handled by regulated partners, while Worldline focuses on orchestration, risk controls and integration with acquiring and settlement systems. This allows merchants to test on-chain demand without taking balance sheet or accounting risk in digital assets, and without disrupting their existing reconciliation processes.

- Merchant settlement in stablecoins, via our partnership with Fipto. Together with Fipto, a European fintech providing stablecoin payment infrastructure, we are developing solutions that let merchants opt to receive all or part of their settlement flows in regulated stablecoins, while preserving interoperability with traditional payment rails. This is particularly attractive for cross-border or multi-currency merchants who value 24/7 settlement, reduced correspondent banking friction and faster treasury cycles.

- Stablecoin-based settlement for financial institutions, in partnership with Circle. Through our collaboration with Circle and its Circle Payments Network (CPN) Managed Payments, we enable European financial institutions and payment service providers to access compliant, stablecoin-powered settlement capabilities via a single Worldline integration, while keeping their existing fiat-based workflows. Circle manages the underlying issuance, liquidity, compliance controls and blockchain orchestration, and Worldline embeds these capabilities into its platform so that clients can use stablecoin settlement as a new rail for institutional flows without taking on additional operational complexity.
- Building on scheme initiatives to support crypto-funded cards, we are exploring programmes where the underlying funding source is a stablecoin balance, while authorisation and settlement still occur in fiat at scheme level. For the cardholder, the experience is that of "spending stablecoins" anywhere card payments are accepted; for Worldline, it is about combining card processing capabilities with wallet providers and liquidity partners, while carefully staying within a pure technology and orchestration role from a regulatory standpoint.

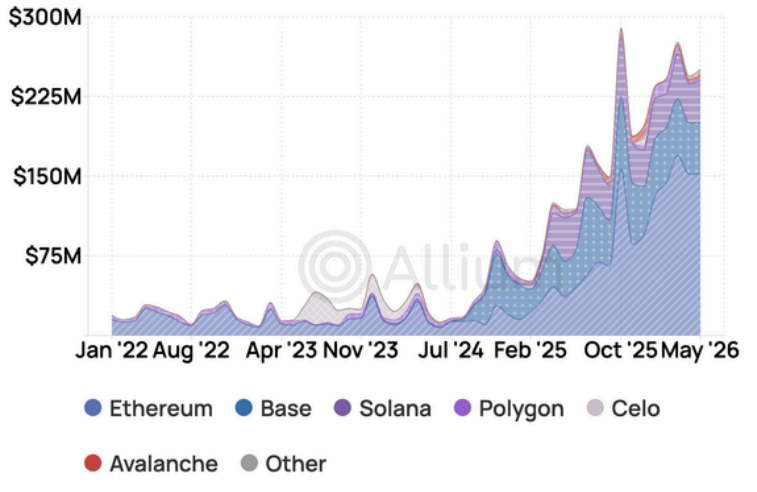
Across all four use cases, depth and quality of implementation matter more than breadth. The projects that move fastest are those where the regulatory responsibilities are clearly allocated, the scheme programmes are understood, and merchants or financial institutions can see tangible improvements in settlement speed, liquidity flexibility and customer experience — without compromising on the compliance standards they already expect from established payment providers.

6.4 Crypto-Native Access and the Institutionalisation of Wallet Distribution

Crypto-native distribution remains highly relevant because many digital money use cases still originate in wallet-based and blockchain-native environments. The strategic question is how those environments connect to regulated financial institutions and mainstream payment interfaces. Société Générale – FORGE's 15 April 2026 partnership with Consensys provides a current example. The agreement ensures that the MiCA-compliant USD CoinVertible is listed within MetaMask's shortlist of supported stablecoins, making it available across the wallet's mobile and web interfaces. Earlier in 2026, SG-FORGE also extended EUR CoinVertible to the Stellar network and the XRP Ledger, continuing a multi-chain distribution strategy that connects regulated stablecoins to a broader set of blockchain-based access points.

Ethereum anchors adjusted EUR stablecoin volume as Base and Solana scale up

Which chains carry euro-stablecoin volume, and how is that shifting?



Source: Allium, June 2026.
Note: Adjusted (organic) transfer volume by chain. Through May 2026.

Allium on-chain data reinforces the importance of multi-chain distribution. Ethereum remains the primary network for adjusted euro-stablecoin activity, but Base and Solana have become increasingly relevant channels for transaction volume. This suggests that distribution is no longer only a question of exchange listings or wallet support, but also of where stablecoin activity is actually taking place across blockchain networks.

This development matters because it widens the competitive field. Distribution power is no longer concentrated only in banks or regulated PSPs. Wallet providers, orchestration platforms, exchanges, and crypto infrastructure companies can influence access, user experience and transaction volume. Europe's access layer is therefore evolving into a hybrid structure in which regulated financial institutions, card networks and crypto-native interfaces all compete to become the primary entry point into digital money usage.

6.5 Distribution, Sovereignty and Competitive Positioning

The distribution question in Europe has a strategic dimension beyond commercial growth. It directly affects the region's ability to shape standards, liquidity concentration and customer interfaces in digital money markets. When global platforms control wallet infrastructure, merchant acceptance and payment routing, the monetary instrument itself may be euro-denominated while the distribution logic remains externally controlled. This is one reason why the ECB, Banque de France and senior policymakers in France and across Europe have linked digital money directly to sovereignty, autonomy and resilience. It is also why recent market moves by Visa, Mastercard, Stripe and SG-FORGE matter beyond product announcements: they reshape the access layer through which stablecoins enter real financial workflows.

Recent developments suggest that global payment networks are increasingly positioning themselves as distribution and settlement layers for digital money. Visa and Stripe-owned Bridge have announced the expansion of stablecoin-linked card infrastructure and on-chain settlement capabilities to more than 100 countries, while Mastercard has moved deeper into stablecoin infrastructure through its acquisition of BVNK. At the same time, multiple media reports indicate that Visa, Mastercard and Stripe may be exploring broader stablecoin platform initiatives, although these plans have not been formally confirmed.

Taken together, these developments reinforce a broader market trend in which competition is shifting beyond issuance toward merchant acceptance, payment infrastructure, settlement connectivity and customer access

VENTUREBLOXX INSIGHT

Distribution is becoming a defining control layer in Europe's digital money market. Issuance establishes the monetary instrument. Distribution determines whether that instrument remains marginal, becomes embedded in institutional workflows, or scales into a meaningful component of the European financial system. For European institutions, the strategic issue concerns access to liquidity, customer interfaces and regulated workflow integration across the channels that determine real usage.

The same strategic logic underpins initiatives such as the European Payments Initiative (EPI), which seeks to strengthen European control over payment distribution and acceptance infrastructure at a time when digital-money competition is increasingly shifting towards access, routing and customer interfaces.

7 From Money to Use: How Institutions Deploy It

The implementation layer determines whether digital money remains a capital-markets theme or becomes part of mainstream financial operations. Institutional adoption depends on the ability to hold, move, screen, route and settle digital value within governed workflows. This is the layer where treasury design, custody, compliance and market infrastructure converge.

In Europe, the implementation layer is advancing through regulated custody, wallet infrastructure, compliance tooling, tokenised asset platforms and payment orchestration, with MiCA and related supervisory expectations shaping how institutions structure these workflows.

7.1 Custody and Wallet Infrastructure

Custody sits at the centre of institutional deployment because control over private keys, wallet permissions and segregation of assets determines whether digital money can be integrated into regulated operating environments. Institutions require custody models that support governance, internal controls, reporting and operational continuity. Tangany secured a MiCAR licence in September 2025, positioning itself to passport regulated custody services across the EU. Tangany publicly positions its institutional model around Wallet-as-a-Service, sub-custody and regulated infrastructure for banks, brokers and financial institutions. In November 2025, Tangany also partnered with AllUnity to provide custody and wallet infrastructure for the EURAU stablecoin, linking euro-denominated issuance directly to regulated implementation infrastructure.

Zodia Custody reinforces the same implementation trend. It markets a regulated institutional custody framework focused on quality, security and compliance, and sits within the execution layer through which institutions can permit wallet activity, segregate client assets and connect settlement and treasury workflows to digital-asset infrastructure. The significance of firms such as Tangany and Zodia extends beyond safekeeping. They are operational control points in the institutional deployment stack.

Expert Perspective

Maximilian Bruckner
Sales Director Germany Zodia Custody

As **crypto assets move into regulated financial environments**, custody has become a foundational requirement for institutional adoption. Venturebloxx spoke with **Maximilian Bruckner, Sales Director Germany at Zodia Custody**, about **the governance, risk-management and operational requirements** that determine whether digital assets are ready **for production use within institutional workflows.**

Q1. Which criteria matter most when institutions evaluate whether a crypto asset is ready for production use?

Regulatory clarity is the starting point, as it determines whether a crypto asset can be considered at all. In Europe, MiCA provides structure around issuance, reserves, and governance for stablecoins, setting a baseline for compliance. Closely linked to this is issuance and counterparty risk, where institutions assess the strength of the issuer, their capital position, and how they may behave under stress such as during liquidity shocks or under redemption pressure. Redeemability, reserve transparency, and custody arrangements also play a central role in institutional assessment.

It's not just about knowing that an instrument is backed; institutions need clear visibility into what it is backed by, where those reserves are held, and how they are safeguarded and audited. Just as importantly, they need confidence in the practical mechanics of redemption, including the specific circumstances under which it could fail or become constrained in difficult market conditions.

Settlement finality is another critical requirement. Institutions typically require legally definitive settlement rather than the probabilistic forms of finality common in many blockchain systems. The extent to which blockchain finality maps to legal finality remains context-dependent and is still being actively interpreted. This becomes particularly important when integrating with traditional financial infrastructure, where finality depends as much on legal enforceability as on technical design.

These requirements are only meaningful in practice when the asset can be supported within regulated custody frameworks. Without qualified custodians capable of holding the asset securely and in compliance with regulatory requirements, institutional-scale adoption is constrained.

Q2. How do institutions balance liquidity, compliance, and operational control when selecting and deploying crypto assets?

Compliance acts as the primary gatekeeper and is non-negotiable. If an instrument introduces regulatory risk or uncertainty, it won't be adopted, regardless of liquidity or operational advantages. Liquidity becomes the next key consideration once regulatory requirements are met. Institutions assess both secondary market depth and the ability to redeem directly with the issuer at par. Reliance on secondary markets alone is considered risky as prices can deviate from par value, even if the underlying asset is fully backed.

Operational control is often an overlooked factor, despite being critical to whether deployment can scale effectively. Many institutions are still transitioning from experimentation to production-scale use cases, with significant effort now focused on strengthening custody workflows, integration layers, and underlying operational infrastructure. In reality, these three aspects rarely align perfectly, and institutions make many trade-offs.

Q3. Which risks are still most often underestimated in institutional adoption of crypto assets?

Custody and safekeeping risk is a key area that is often underestimated, especially around operational and organisational resilience. Institutions often focus heavily on the design of the asset itself, while underinvesting in how the asset is actually held, segregated, and recovered in practice. This includes critical processes such as approval workflows, access management, and API security. In addition, the financial and operational scale of custodians themselves is sometimes overlooked, particularly when large institutions rely on custodians that may be significantly smaller in scale than themselves.

Another major area is smart contract and protocol risk. Blockchain-based systems introduce a fundamentally different and broader scope when compared to traditional financial infrastructure, requiring a different risk mindset and more continuous monitoring than many institutions initially anticipate. Integration risk is also frequently underestimated but often becomes a dominant source of friction in real-world deployments.

Connecting digital financial systems into existing treasury, settlement, and reporting infrastructure is often more complex and resource-intensive than expected, creating deployment delays. Regulatory fragmentation across MiCA, PSD2, and MiFID adds further complexity, as each framework governs different instrument types and creates distinct compliance and operational requirements across jurisdictions.

At Zodia Custody, we support institutions in navigating these challenges by providing regulated crypto-asset custody services across the EU. We also offer ‘Solutions by Zodia Custody’, enabling firms to rapidly and securely launch white-labelled offerings using their existing licences. This provides the operational foundation needed to engage with digital assets while allowing them to stay focused on their core client propositions.

Expert Perspective

Ilja Tomilin
Sales Director Tangany

While institutional **custody begins with governance and regulatory readiness, large-scale deployment depends equally on operational integration, wallet infrastructure** and the ability to embed digital-asset capabilities into existing financial systems. Venturebloxx spoke with **Ilja Tomilin, Sales Director at Tangany, about the operational challenges, custody workflows and Wallet-as-a-Service models shaping institutional deployment across Europe.**

Q1. What defines institutional-grade custody in Europe today, particularly under MiCA and evolving regulatory requirements?

To define "institutional-grade" custody, it is useful to understand why the term has become so widely used. Over the past years, the European digital asset market has gone through a structural shift. What started as a fragmented ecosystem of crypto-native providers and experimental use cases is now converging with traditional financial infrastructure. Regulations, particularly MiCA, drove this shift, as well as the growing institutional demand to embed digital assets into existing business models. As a result, custody requirements have increased significantly.
In our view, institutional-grade custody is defined by three core dimensions: built-in compliance, operational scalability, and integration capabilities.

Built-in compliance means that regulatory capability must be embedded into the architecture. Custody in Europe spans multiple frameworks: MiCA, the Transfer of Funds Regulation, and, depending on the use case, MiFID II or PSD2. We still see cases where firms are MiCA-licensed but face major friction when implementing Travel Rule exchanges or meeting institutional reporting and audit requirements once real integrations begin.

Operational scalability means that custody must work beyond pilot setups and isolated use cases. Institutional clients need infrastructure that can support sustained transaction volumes, recurring processes, and the reliability standards expected in financial services.

Integration capability is also a key requirement. Institutions expect custody to connect with existing systems, from compliance and risk to reporting, while also interfacing with crypto-native infrastructure such as liquidity providers or staking services.
A common misconception is that regulatory licensing equals institutional readiness. A license confirms permission to operate, not the operational, governance, or scalability maturity required by institutional clients.

Q2. Which control and governance requirements are most critical when institutions integrate custody into treasury, settlement, and payment workflows?

When institutions integrate custody into treasury, settlement, and payment workflows, the focus shifts from the general custody setup to the control environment around live financial processes.

The first critical requirement is clear governance over transaction flows. Institutions need to define who can initiate, approve, execute, and monitor transactions. This includes approval hierarchies, segregation of duties, transaction limits, and escalation procedures.

The second requirement is controlled access. Digital asset custody depends heavily on secure access and authorisation models, so roles and permissions must be clearly defined and regularly reviewed. This is especially important because these transactions are usually irreversible once executed.

Third, institutions need reliable monitoring and auditability. Processes must be documented, traceable, and reviewable by internal teams, auditors, and regulators. This includes transaction records, approval logs, reporting data, and reconciliation processes.

Ultimately, these requirements determine whether custody can operate safely as part of institutional financial infrastructure, not just whether assets can be stored securely.

Q3. Where do institutions still face the most operational friction when deploying custody infrastructure at scale?

In custody workflows, operational friction rarely comes from the engine itself, but rather from regulatory integration and ongoing operational complexity once systems go into production.

A first friction point we've observed at Tangany is regulatory data exchange, especially under the Travel Rule. Institutions must exchange structured KYC and transaction data between providers. Even small mismatches in format or timing can cause failed or delayed transfers, particularly in CASP-to-CASP flows.

A second challenge is external connectivity. Each integration to another custodian, exchange, or wallet provider requires specific setup and ongoing maintenance. There is no universal standard, and regulatory updates often require changes.

A third issue is transaction orchestration at scale. In production environments, custody requires structured workflows for approvals, exceptions, and reconciliation. We at Tangany often see this operational layer underestimated during initial integration.

Overall, the friction is rarely custody itself, but rather the effort required to embed it into complex, regulated financial systems at scale.

Q4. How does wallet infrastructure, such as Wallet-as-a-Service or sub-custody models, change how institutions integrate digital assets into existing systems?

Wallet-as-a-Service and sub-custody mainly change how responsibilities are split. Institutions remain responsible for the product, client relationship, and governance, while relying on external providers for secure execution and infrastructure operations.

Relying on regulated providers for the execution layer, including the management of keys, transaction signing, and blockchain connectivity, removes the need to develop deep technical blockchain expertise in-house and reduces operational overhead.

At the same time, institutions do not lose control over the client relationship, product design, and compliance decisions. The institution defines what the product should do and how it is positioned, while the custodian ensures that transactions are executed securely and in line with regulatory requirements.

The practical change is that blockchain operations become API-driven. Wallet creation, transaction initiation, and smart contract interactions can be embedded directly into existing systems, without exposing the institution to the underlying infrastructure complexity.

This model is particularly relevant for institutions that want to launch digital asset products without building full internal capabilities from scratch. It reduces time-to-market and operational risk, while still keeping regulatory accountability with the institution itself.

Q5. What needs to improve for custody to become a fully seamless component of institutional financial infrastructure?

The process of operationally implementing MiCA across all EU jurisdictions has not been without friction, and there is still a way to go before custody becomes fully seamless in institutional infrastructure.

Especially the standardization of data exchange and better system-level integration have emerged as clear areas where the industry can improve.

Regulatory implementation is still uneven across jurisdictions. While frameworks are increasingly clear at a high level, their operational interpretation varies. This means institutions and custodians often need to adapt integrations when implementations differ.

Finally, internal alignment within institutions is also still a bottleneck. Custody touches multiple functions, from compliance and treasury to payments and reporting, but these are often not fully integrated operationally. As a result, even well-designed custody setups can face friction when internal systems are not aligned on data flow, responsibilities, or approval logic.

7.2 Compliance and Risk Monitoring

Compliance has become part of the operating architecture of digital money. Institutions cannot scale stablecoin, tokenised-asset or wallet-based workflows without embedded monitoring of counterparties, transactions, wallet exposure and sanctions risk. TRM Labs' March 2026 product updates highlighted expanded sanctions-evasion coverage, same-day Xinbi response and 96% alert accuracy, alongside a $16.3 billion increase in monitored A7 sanctions-evasion exposure. These figures matter because they show how risk detection is becoming more dynamic and operationally embedded. TRM's Q1 2026 policy roundtable with Circle's EU policy lead further underscored how MiCA implementation is moving stablecoin supervision from a legal and policy discussion into day-to-day compliance practice.

The risk environment itself is also becoming more complex. TRM's 2026 Crypto Crime Report and related research point to faster typology iteration, AI-enabled scam activity, and more sophisticated cross-chain laundering patterns. For institutions, this means that stablecoin adoption requires more than basic wallet screening. It requires continuous intelligence across chains, counterparties and transaction patterns. Bluechip adds a complementary perspective by focusing on stablecoin-specific risk assessment and issuer resilience. Its Crypto Safety Conference in November 2025 was framed around "The Institutional Stablecoin," reflecting the fact that reserve design, issuer governance and operational resilience have become core institutional decision variables.

Expert Perspective

Luke Dufour
Compliance Advisor for EMEA TRM Labs

As digital-money workflows scale, compliance and transaction monitoring are becoming embedded operational requirements rather than standalone control functions. Venturebloxx spoke with **Luke Dufour, Compliance Advisor for EMEA at TRM Labs**, about the risk-management frameworks, monitoring controls and emerging threats shaping institutional adoption.

Q1. Which risk and compliance controls are now non-negotiable for crypto-friendly banks and VASPs scaling digital money workflows in Europe?

Three controls have become foundational. Wallet screening at the point of transaction (and in many cases through a pre-approved whitelisting process) ensures that exposure to sanctioned addresses, high-risk clusters, or illicit activity is caught before any transaction occurs. Ongoing transaction monitoring, both real-time and retrospective, provides ongoing detection of suspicious patterns that point-in-time screening alone may not catch. Finally, blockchain intelligence is increasingly embedded as a core data source in onboarding and ongoing monitoring workflows at banks. This is no longer viewed as a supplementary check, but as a fundamental part of how institutions build and maintain a risk view of their counterparties and customers, leveraging the inherent transparency of the blockchain, who are active in digital assets

Q2. How are crypto-friendly banks and VASPs operationalising transaction monitoring, sanctions screening, and counterparty risk within treasury, payments, and settlement processes?

The operational model is built around programmatic controls embedded directly into the payment flow. For banks managing their own treasury activity, this means every transaction the institution executes is screened before it takes place, and monitored thereafter. For customer-facing activity, every customer-initiated transaction and every wallet interacted with is subject to the same controls. The principle is consistent: no transaction settles without a risk assessment of the activity and the addresses involved. This approach allows institutions to take genuine, real-time comfort in the risk profile of a specific activity rather than relying on periodic or sample-based review.

Q3. Where do you still see the most critical blind spots or emerging risks in stablecoin and tokenised-asset adoption under the current regulatory framework?

Four gaps stand out. Unhosted wallet exposure remains an area where regulatory expectations and operational reality misalign. Firms face real uncertainty about how deeply to investigate self-custodied wallets, and how to verify ownership and control, particularly in stablecoin flows where unhosted wallet usage is common. Privacy coins and privacy-enhancing assets present a more fundamental challenge: where transaction data is obscured or unavailable, standard blockchain intelligence approaches can become less effective, requiring advanced tooling to mitigate risk (i.e. use of behavioural monitoring as a supplement to attribution-based monitoring). And the fiat-to-crypto disconnect is a persistent blind spot for firms that monitor on-chain and off-chain activity in silos - without a holistic view of the customer, suspicious patterns that span both rails can go undetected. Finally, the varying industry approaches and lack of guidance regarding 'indirect' risk, where risk exposures exist beyond the direct transaction in which an institution is involved, create challenges for firms seeking to comply.

Expert Perspective

Benjamin Levit
Co-Founder & CEO Bluechip

Beyond transaction and counterparty monitoring, institutions must also assess the resilience of the digital-money instruments themselves, including reserve structures, governance arrangements and issuer risk. Venturebloxx spoke with Benjamin Levit, Co-Founder & CEO of Bluechip, about the factors institutions use to evaluate stablecoin safety, issuer quality and reserve resilience.

Q1. Which risk factors matter most when institutions evaluate the safety and reliability of a stablecoin issuer?

Bluechip ratings provide a rigorous evaluation of stablecoin risk by analyzing 6 primary factors and up to 24 subfactors. Each factor is weighted according to its direct impact on peg stability. Here are three such subfactors that carry an outsized influence in our ratings.

First, reserves for a fiat-backed stablecoin should only be invested in bonds that present zero credit risk, low duration risk, and high liquidity. In practice, this means short-term government bonds and bank deposits. These reserves should not be held on the issuer's balance sheet, but in structures where the issuer is merely a custodian of assets on behalf of stablecoin holders.

Second, stablecoin holders should always have the right to redeem directly with the issuer. This allows users to mint and redeem at par against the reserve assets, instead of being forced into secondary markets where peg deviations and liquidity constraints become a real cost. The right to redeem is especially important during market crises when trust is in short supply.

Third, fiat-backed stablecoins should be regulated under federal laws that specifically address token issuance activities. Ideally, the issuer should also be located in a jurisdiction where regulators can effectively enforce these laws. For example, issuers regulated under MiCA in Europe have a higher standing. The external oversight of national regulators in the EU ensures that the interests of stablecoin holders are protected.

Q2. How are institutions incorporating reserve transparency, issuer structure, and governance into their risk frameworks?

Bluechip requires fiat-backed stablecoins to publish monthly attestations of the reserve assets with granular breakdowns by asset type and custodian. These attestations should be performed by a reputable accounting firm who is capable of issuing an unqualified opinion that reserve assets exceed the outstanding stablecoin supply.
Our ratings map the legal entities the issuer uses to identify which entity holds the reserves and checks if those reserves are segregated from the issuer's corporate funds and protected in case of the issuer's bankruptcy. Commingling reserves with the issuer's own assets presents an undue level of risk for holders.

We also evaluate the level of external oversight from regulators and auditors. In jurisdictions that have federal laws for stablecoins, regulators are empowered to enforce strict internal controls and penalize issuers when those controls are violated. Annual financial audits are also important to establish independent verification of reserve assets.

Q3. Where do you still see the most critical blind spots in how institutions assess stablecoin risk today?

The most critical blind spot is that institutions often don't run rigorous stablecoin risk analysis at all. Many default to the largest or the most popular option by habit or perceived social sentiment, even when structurally safer alternatives exist. For example, several Paxos-issued fiat-backed stablecoins are bankruptcy-remote under New York trust law and have high scores on peg stability. Yet, they receive only a fraction of the institutional fund flows. This selection is driven by familiarity and network effects, not by risk-adjusted analysis.
Custodian concentration is also a major gap. When institutions do evaluate the issuer, they rarely look into which banks actually hold the reserves. The 2023 USDC depeg showed how a single bank failure can depeg one of the largest stablecoins in hours. Many stablecoins don't even disclose their custodians' identities to prevent contagion from problems at the custodian. However, this strategic opaqueness impedes the users' ability to conduct a true risk assessment.

7.3 Payment and Treasury Orchestration

Implementation also depends on how digital money connects to treasury tools, payment workflows, wallet infrastructure and fiat rails. This orchestration layer determines whether stablecoins can be used in a controlled institutional setting rather than as isolated balance-sheet assets. PSPs and infrastructure providers increasingly present digital money as one rail among several, integrated into cross-border settlement, treasury allocation and payout environments. Stripe's legal framework for stablecoin payments explicitly covers the European Economic Area and business use cases including payments, treasury and cross-border activity. That is a significant signal that large financial infrastructure platforms are formalising stablecoin use within mainstream commercial products.
Operational adoption depends on orchestration rather than on asset availability alone. Institutions require funds movement between bank accounts, wallets, treasury systems and counterparties with clear controls over approval, routing, reporting and reconciliation. The implementation layer therefore includes workflow design and data visibility alongside legal access to the settlement asset.

This operational layer is where stablecoin adoption becomes practical or breaks down.

> *Large institutions and corporates require integration into core banking, payment and ERP systems as a settlement method.*
>
> ***Arnoud Star Busmann, CEO, Quantoz***

For smaller institutions, the equivalent requirement is reliable wallet and key management or outsourced custody embedded into treasury and payment workflows. Without that integration, stablecoins risk becoming a parallel settlement process rather than an operational rail.

7.4 Tokenised Assets and the Cash Leg

A further implementation question concerns the relationship between tokenised assets and the digital money used to settle them. Tokenisation becomes operationally meaningful when the asset leg and the cash leg can move together within compatible infrastructure. Monee is relevant here because it positions itself around issuance, trading, custody and settlement for tokenised assets. Banque de France, Euroclear and other European infrastructures are advancing tokenised securities settlement with central-bank-linked and private settlement assets in mind. The implementation challenge lies in coordination across issuance, custody, settlement and finality.

SIX Digital Exchange is relevant in the same context because market viability depends on regulated market design and workable settlement arrangements. The asset itself does not determine institutional viability. Institutional viability depends on how the cash leg settles, how participants are onboarded, and how post-trade control is maintained.

Interviews conducted for this report suggest that the success of tokenised markets depends not only on asset issuance, but also on the ability to coordinate settlement assets, post-trade infrastructure and liquidity across multiple environments.

> *In practice today, institutions manage the relationship between the asset leg and the cash leg in tokenised transactions through hybrid settlement models.*
>
> *Typically, the securities leg sits on a DLT-based platform, while the cash leg remains anchored to central bank money or commercial bank money, sometimes represented in tokenised form."*
>
> *Technology has largely proven that tokenisation works. What is missing is the ability to embed these new forms of assets into the broader financial system in a way that preserves liquidity, trust and efficiency. Fragmentation is the enemy of liquidity, and liquidity is what ultimately defines whether a market can operate at scale.*
>
> ***Sébastien Van Campenhoudt, Director, Innovation & Digital Assets, Tokenized Cash Lead, Euroclear***

Expert Perspective

Marco Kessler
Head of Digital Assets SIX

As tokenised securities move beyond pilot projects, institutions increasingly **face practical questions around settlement design, interoperability and the integration of digital-money instruments into existing market infrastructure.** Venturebloxx spoke with **Marco Kessler, Head of Digital Assets at SIX**, about **the conditions required to scale tokenised securities markets within regulated financial systems.**

Q1. What form of digital money is most suitable for achieving delivery-versus-payment (DvP) settlement in tokenised securities markets, and why?

From our perspective, the starting point is not the choice of a single form of digital money, but the ability to **support multiple settlement assets through one coherent integration layer** — *one plug connecting two worlds*.

- **Central bank money** remains the anchor for risk-free settlement and systemically important DvP outcomes. Where available (e.g. via wholesale CBDC or tokenised central bank money), it provides the highest level of finality and trust.
- **Tokenised deposits** are particularly well suited for scaling tokenised securities in the near to medium term. They allow commercial bank money to be used in programmable environments while remaining fully embedded in existing banking, liquidity, and regulatory frameworks.
- **Regulated stablecoins** can complement these models in specific contexts, such as cross-border settlement or extended operating hours, provided they meet robust standards for regulation and interoperability.

A "one plug, two worlds" approach allows market participants to access and interchange these forms of digital money **without fragmenting settlement logic** across separate infrastructures. The objective is seamless DvP, regardless of whether the cash leg is on a DLT or a traditional payment rail.

Q2. How are institutions managing the coordination between the asset leg and the cash leg in tokenised transactions in practice?

In practice, institutions are moving away from isolated on-chain coordination models toward **orchestrated settlement across environments**.

- In early deployments, **smart-contract-based atomic DvP** is often used within a single DLT environment.
- As transactions increasingly span both DLT and traditional systems, institutions rely on a **single orchestration layer** that synchronises the asset and cash legs across both worlds.
- Conditional settlement mechanisms ensure that movements in one system only become final once the corresponding leg is confirmed in the other, even if technical atomicity spans multiple platforms.

The "one plug" serves as the control point for synchronisation, governance, and exception handling, ensuring that institutions can maintain established operational standards while adopting tokenised settlement.

Q3. What infrastructure and market structure conditions are required for tokenised securities markets to scale beyond pilot environments?

Scaling tokenised securities requires **integration, not isolation**.
Key conditions include:

- **Interoperability by design**, enabling tokenised assets to be issued, settled, and serviced through the same access layer as traditional securities.
- **Legal and regulatory certainty**, ensuring that tokenised securities enjoy the same protections, enforceability, and settlement finality as traditional instruments.
- **Operational resilience and FMI-grade reliability**, matching existing post-trade infrastructures in terms of stability, recoverability, and oversight.
- **Standardised interfaces and data models**, allowing participants to connect once and operate across both traditional and DLT-based markets.

A "one plug, two worlds" strategy avoids the creation of parallel market structures and instead allows tokenisation to scale **within established market frameworks**.

Q4. What role should central bank money, tokenised deposits, or regulated stablecoins play in settlement design?

Settlement design should accommodate **multiple forms of digital money through a common access and control layer**.

- **Central bank money** should continue to underpin high-value and systemic settlement.
- **Tokenised deposits** act as a bridge between traditional commercial-bank money and programmable settlement, supporting a wide range of capital-markets use cases.
- **Regulated stablecoins** may address specific efficiency gaps, particularly in cross-border or non-standard operating-hour scenarios.

Rather than forcing convergence on a single settlement asset, the focus should be on **interoperable settlement architectures** — one connection point, multiple settlement options, consistent rules.

Q 5. How do tokenised market infrastructures integrate with existing post-trade and settlement systems?

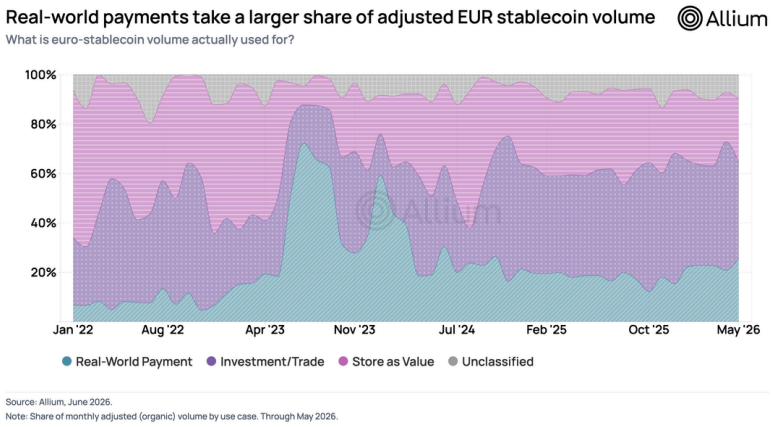
Integration is best achieved through **evolutionary coexistence**, not replacement.

- Tokenised infrastructures are increasingly designed to **plug into existing CSD, custody, and post-trade systems**, preserving asset servicing, corporate actions, and regulatory reporting.
- A unified access layer enables participants to manage both tokenised and traditional securities through **consistent workflows and controls**.
- On-chain records and off-chain books are synchronised via standardised interfaces, ensuring transparency and reconciliation across both worlds.

In this model, tokenisation becomes an **extension of existing market infrastructure**, rather than a separate ecosystem, delivering innovation without undermining trust, scale, or stability.

7.5 Real-World Use Cases and Market Signals

Venturebloxx's clearest point of differentiation sits in the ability to connect architecture to implementation evidence. Recent market examples already show how this layer is developing. Tangany's partnership with AllUnity links regulated custody directly to euro-denominated stablecoin issuance. Deutsche Bank's Partior transaction shows that DLT-based settlement is being tested in live financial-institution flows. Visa's March 2026 expansion of Bridge-linked cards to more than 100 countries extends stablecoin access into mainstream payment interfaces. Mastercard's agreement to acquire BVNK points to greater strategic control of fiat/on-chain payment connectivity by incumbent networks. Société Générale – FORGE's MetaMask integration shows how regulated stablecoins are being connected to wallet-based distribution. These examples show that institutional adoption is taking shape through infrastructure combinations rather than through isolated products.



Allium's use-case classification shows that adjusted euro-stablecoin activity is not limited to investment and trading flows. Real-world payment activity represents a meaningful share of adjusted EUR stablecoin volume, supporting the report's broader argument that euro-denominated stablecoins are beginning to move from issuance and market access into practical payment, settlement and treasury workflows.

VENTUREBLOXX INSIGHT

The implementation layer is where digital money becomes operational financial infrastructure. Institutional adoption depends on the ability to combine custody, compliance, treasury orchestration and settlement into controlled workflows supported by real governance. Differentiation emerges through evidence of how financial institutions and solution providers solve operating problems across payments, liquidity and tokenised markets.

8 Institutional Decision Layer

Institutional adoption of digital money is being shaped by decision frameworks that combine liquidity, regulatory treatment, operational control, settlement design and counterparty risk. The policy environment is reinforcing this shift. The ECB's March 2026 payments strategy places central bank money at the core of settlement while explicitly allowing a role for EU-governed, euro-denominated and properly regulated private settlement assets. Institutions therefore need a structured method for selecting between instruments according to workflow and governance requirements.

8.1 The Core Selection Criteria

In practice, institutions are assessing digital money across five dimensions.

Liquidity and redeemability.
The first criterion is whether the instrument can be sourced and exited at scale, under stress, and across relevant corridors or markets. Dollar-denominated stablecoins continue to command strong institutional attention because they benefit from deeper secondary-market liquidity and broader exchange and wallet distribution than euro-denominated instruments. The ECB has highlighted the financial-stability relevance of reserve quality and redeemability for EMTs and other stablecoins operating in the Union.

Regulatory status and supervisory perimeter.
MiCA has made legal classification, safeguarding, governance and supervisory treatment central to instrument selection. The EBA's 2026 supervisory priorities for ART and EMT issuers focus on governance, reserve management, redemption arrangements, conflicts of interest, ICT and cyber risks, and the quality of disclosures. For institutions, regulatory status now functions as an operating variable with direct implications for onboarding, risk and treasury policy.

Operational control.
Institutions need control over wallet permissions, approvals, reporting, segregation, sanctions screening, and integration with treasury and settlement workflows. This is why custody, wallet policy engines and compliance tooling are now part of the adoption decision rather than post-selection infrastructure. Tangany's MiCAR licence and passporting model show how custody providers are positioning themselves as regulated implementation partners.

Settlement design and finality.
The asset is only one component of the decision. Institutions also evaluate whether the instrument settles in central bank money, tokenised deposits, or other private settlement assets; whether it can support DvP and interoperability; and whether it fits the legal and operational requirements of the relevant market. In its April 2026 opinion on tokenised settlement assets, the ECB has communicated that where central bank money is unavailable or impractical, tokenised deposits could play a more prominent role in tokenised transactions and called for a common Union definition of tokenised deposits in banking legislation.

Counterparty, issuer and transaction risk.
Stablecoin selection includes issuer-quality assessment, reserve transparency, governance, transaction monitoring and sanctions exposure. Bluechip positions itself around stablecoin safety and economics, while TRM's platform and policy work show how MiCA implementation is embedding compliance into day-to-day decision-making.

Interviews conducted for this report suggest that institutional decision-making increasingly combines liquidity, compliance, custody, governance and operational readiness within a single evaluation framework.

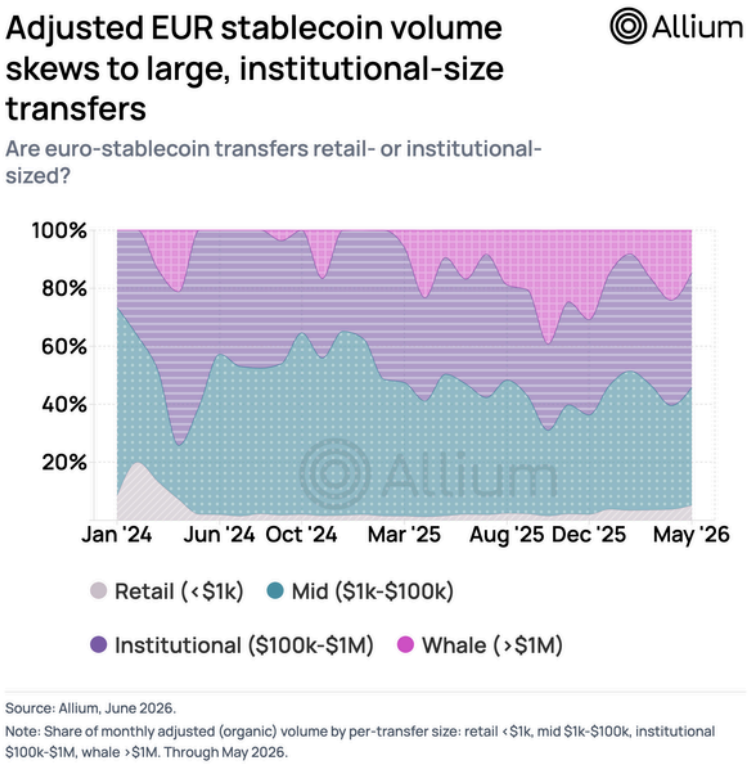
> *Institutional adoption of digital money depends on whether compliance, monitoring, sanctions screening, and counterparty risk controls can operate with the same reliability expected in traditional financial infrastructure.*
>
> *The challenge is no longer simply regulatory classification. It is operationalizing risk management across wallets, counterparties, liquidity venues, and cross-border transaction flows.*
>
> ***Luke Dufour, Compliance Advisor for EMEA, TRM Labs***

> *Institutions evaluate crypto-assets infrastructure according to custody governance, operational resilience, liquidity access, segregation standards, and integration into existing treasury and compliance workflows.*
>
> ***Maximilian Bruckner, Sales Director Germany, Zodia Custody***

> *Reserve transparency, issuer governance, redemption structures, and asset-quality visibility increasingly determine institutional confidence in stablecoin infrastructure.*
>
> ***Benjamin Levit, Co-Founder & CEO Bluechip***

8.2 The Decision Depends on the Workflow

The choice of instrument is highly sensitive to workflow. For cross-border payments and digital-asset market activity, institutions often prioritise liquidity depth, programmability and broad distribution. For interbank settlement, they place greater weight on finality, legal treatment and compatibility with existing monetary and balance-sheet structures. For tokenised securities and collateral workflows, they focus on the relationship between the cash leg, the settlement environment, and post-trade design. The ECB's work on tokenised capital markets and the Eurosystem's payments strategy both reinforce this function-based logic.



Allium transaction-size data shows that adjusted EUR stablecoin activity is increasingly associated with larger transfer bands rather than only small retail transfers. This matters for institutional selection because the relevant question is not simply whether a stablecoin exists, but whether it is being used in transaction sizes and workflows that resemble payment, treasury, settlement or capital-allocation activity.

This functional segmentation is also visible in supervisory and market signals. The EBA's MiCA role is centred on the oversight of ART and EMT issuers, while the ECB's tokenised-market work is centred on settlement architecture and the role of central bank money in preserving integration and financial stability. Banks, PSPs, issuers, infrastructures, treasuries and asset managers therefore face different decision matrices.

8.3 Europe's Decision Framework Is Becoming More Structured

Recent European developments have made institutional choice more structured than in earlier phases. MiCA has clarified the rules for regulated stablecoin issuance and supervision. The ECB has set out a payments strategy that explicitly supports tokenised deposits and properly designed stablecoins alongside central bank money. Banque de France and Euroclear have advanced work on tokenised securities settlement. This creates a market in which the central issue is instrument selection, governance and scaling rather than basic engagement with the topic.
The framework is not complete. Tokenised deposits still lack a harmonised Union definition in banking legislation, and the relationship between tokenised deposits, private stablecoins and central-bank settlement rails remains a live design question. The ECB's April 2026 opinion makes clear that the legal treatment of tokenised settlement assets still requires refinement if Europe wants consistent market scaling.

8.4 The Practical Selection Matrix

A practical decision framework for digital money in Europe can therefore be organised around four questions: what is the workflow; what level of regulatory certainty and governance is required; what liquidity profile is needed; and what operating controls must be embedded. This matrix is more relevant to institutions than rankings based on brand, market capitalisation or headline yield. The relevant choice is the one that fits the workflow, governance perimeter and liquidity design of the institution.

VENTUREBLOXX INSIGHT

Institutional adoption depends on decision discipline. The most credible institutions in this market are selecting digital money instruments according to workflow fit, regulatory perimeter, liquidity resilience, settlement design and operating control. The decision layer is becoming one of the most important competitive layers in Europe's digital-money market.
Over time, institutions may increasingly rely on banks, custodians and infrastructure providers to abstract this complexity and optimise settlement choices across multiple forms of digital money.

9 Europe's Monetary Model

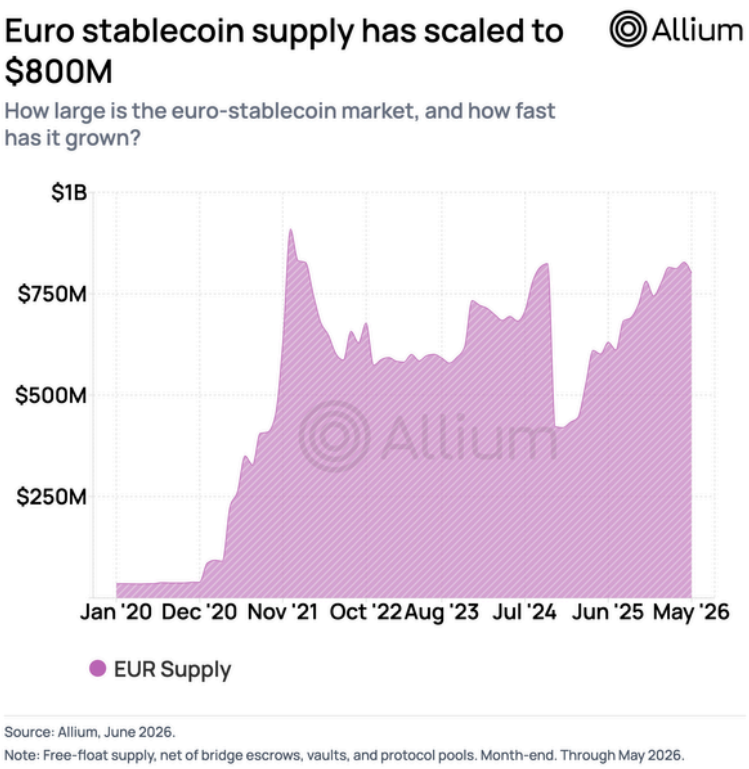
Europe is shaping a monetary model in which central bank money remains the settlement anchor while private digital money instruments expand around it under defined regulatory, governance and interoperability conditions. This direction is explicit in the Eurosystem's March 2026 comprehensive payments strategy, which states that wholesale settlement should continue to rest on central bank money, complemented by tokenised deposits and stablecoins that are EU-governed, euro-denominated and properly designed and regulated. This is a market-structure choice with direct implications for payments, capital markets and financial stability.

9.1 A Public-Private Architecture Is Being Formalised

Europe's model centres on a monetary architecture in which public and private forms of digital money operate within one coordinated framework. In February 2026 the ECB communicated that central bank money will exist alongside private settlement assets such as stablecoins and tokenised deposits, with interoperability and convertibility into central bank money treated as design requirements. This gives central bank money a stabilising role within tokenised markets. The ECB's April 2026 legal opinion on tokenised settlement assets reiterates that central bank money should remain the primary settlement asset for wholesale financial markets, especially securities transactions, and confirms that the ECB will enable settlement in tokenised central bank money for euro-denominated transactions through Pontes. The same opinion highlights the additional risk-management requirements attached to EMTs when used as settlement assets in securities settlement systems, including issuer credit risk and price-deviation risk.

9.2 The Model Is Anchored in Sovereignty, Resilience and Integration

The European monetary model is being built under three strategic objectives: sovereignty, resilience and integration. The Eurosystem's payments strategy links tokenised settlement assets directly to competitive and resilient European payments. ECB speeches on monetary sovereignty connect the development of euro-denominated settlement assets to Europe's effort to reduce strategic dependence on non-European infrastructures and preserve policy autonomy. Reuters reported on 17 April 2026 that French Finance Minister Roland Lescure called for stronger development of euro-based stablecoins and tokenised deposits while supporting the Qivalis initiative. Reuters also noted the scale gap between dollar and euro stablecoins, with Tether above $185 billion and Société Générale – FORGE's euro stablecoin around €107 million. The political and market message is aligned: a euro-denominated private digital money layer is now being treated as strategically important financial infrastructure.



Allium on-chain supply data shows that euro-denominated stablecoin supply has grown materially since 2020, but remains small in absolute terms compared with the dollar-denominated stablecoin market. This reinforces the strategic nature of Europe's digital-money agenda: euro-denominated infrastructure is developing, but scale, distribution and liquidity formation remain central constraints. Interviews conducted for this report consistently highlight that Europe's emerging monetary architecture is being shaped around interoperability, trusted settlement assets and coordination between public and private forms of digital money.

"By joining forces, the consortium banks work towards a single, interoperable European practice." Floris Lugt, CFO, Qivalis B.V.
"Central bank money is the only risk-free settlement asset."
"Central bank money is and will remain the preferred settlement asset whenever it is available and practicable." Sébastien Van Campenhoudt, Director, Innovation & Digital Assets, Tokenized Cash Lead, Euroclear
"For tokenisation to take off at scale in traditional finance, there needs to be a safe settlement asset."
"Without it, institutions still face the question of how to settle transactions safely, efficiently, and with finality in wholesale markets." Simone Cortese, Chief Product Officer, Fnality
"A 'one plug, two worlds' strategy avoids the creation of parallel market structures and instead allows tokenisation to scale within established market frameworks." Marco Kessler, Head of Digital Assets SIX

9.3 Tokenised Settlement Is Being Built into Market Infrastructure

The model is also being embedded into European market infrastructure. Banque de France and Euroclear announced in March 2026 an initiative to tokenise short-term debt in Paris, linking tokenised securities issuance with settlement innovation and the wider work on tokenised settlement assets. Banque de France has also published work on tokenised settlement assets with participants from the Paris financial centre, covering digital interbank euro, tokenised deposits, euro stablecoins and market-infrastructure coordination. The ECB's broader tokenisation agenda reinforces this direction. Its recent financial-stability work on digital capital markets states that tokenisation is extending into issuance, settlement, post-trade and collateral usage, while Appia and Pontes are intended to connect these markets through a common euro settlement backbone.

9.4 The European Model Is Layered and Functionally Segmented

Europe is developing a layered monetary system with different instruments aligned to different functions. Central bank money is being positioned for wholesale anchoring and finality. Tokenised deposits are being developed for bank-controlled environments and workflows that require continuity with deposit-based systems. Stablecoins and EMTs are being positioned for programmability, cross-platform portability and selected payment and market uses, subject to regulatory safeguards. The digital euro remains the public-money track for retail applications. The ECB's April 2026 Macroprudential Bulletin further notes that euro stablecoins could affect sovereign-bond demand depending on whether they are issued by banks or EMIs, how reserves are structured, and which sectors provide the inflows. In the same bulletin, the ECB assesses tokenised money market funds as a growing component of the digital financial system with potential efficiency gains and familiar liquidity and operational risks.

9.5 The Strategic Test Is Coordination

The strategic test for Europe's monetary model is coordination across layers. The architecture now includes central banks, supervisors, banks, issuers, PSPs, FMIs, custodians, wallets and compliance providers. The value of the model depends on whether these actors can operate across shared standards for settlement, convertibility, risk management and access. Without coordination, Europe faces segmented liquidity pools and disconnected operating environments. With coordination, Europe can support private innovation while maintaining a euro-denominated monetary core and coherent market infrastructure.

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Europe's monetary model is being built as a coordinated public-private system. Its defining feature is the construction of a euro-centred architecture in which central bank money, tokenised deposits, stablecoins and tokenised market infrastructure can operate within one integrated framework. The institutions that shape convertibility, settlement access and distribution within this framework will shape the next phase of European on-chain finance.

Beyond Authorisation: MiCA's Competence Test

The licence gets firms to the starting line.
Competence determines who can scale.

As Europe's digital-money architecture becomes more regulated and coordinated, institutional readiness will depend not only on authorised entities and compliant infrastructure, but also on the competence of the people operating client-facing functions.

MiCA has shifted the market from fragmented national regimes to formal authorisation and supervision. But authorisation is only the first phase of professionalisation. A MiCA licence confirms that a firm has cleared the regulatory bar; it does not prove that client-facing teams have the knowledge, judgement and competence required to explain products, assess risks or provide advice.

This distinction matters in the post-MiCA phase. ESMA's knowledge and competence guidelines distinguish between staff who provide information and those who provide advice. Information-giving roles cover explanations of products, fees, risks, onboarding processes or protocol functionality without a personal recommendation. Advice begins when guidance is tailored to a specific client and links to suitability obligations.

The result is that competence becomes measurable. Firms must evidence qualification, supervision, examination and continuing-development standards. Compliance therefore moves beyond licensing files into job descriptions, training records, annual reassessments and supervisory accountability.

For authorised CASPs, this creates a second-order competitive test. A licence can be obtained once, but competence must be maintained, evidenced and renewed across the client-facing organisation. For banks, fintechs and crypto firms alike, the post-MiCA phase is likely to reward institutions that treat knowledge and competence as a strategic capability, not an administrative requirement.

Digital asset and MiCA competence certifications are available through DEC Institute, including programmes designed for information-giving and advisory roles under ESMA's knowledge and competence framework. **Learn more: venturebloxx.com**

The MIC™
MiCA Inform Certification

For client-facing staff who provide information on crypto-assets or CASP services.

Aligned with: ESMA Guideline 2
Programme: 80 hours · 8 weeks · 6 modules
CPD: 10 hours per year
Designed for: onboarding, support, sales and information roles

The MAC™
MiCA Advisory Certification

For professionals who provide advice on crypto-assets or portfolio strategies.

Aligned with: ESMA Guidelines 2 & 3
Programme: 160 hours · 16 weeks · 12 modules
CPD: 20 hours per year
Covers: suitability, risk profiling, investor protection and portfolio obligations

10 Strategic Outlook

Europe's digital-money market has moved into a phase in which strategic positioning matters more than conceptual leadership. The key questions for the next 12–24 months concern settlement access, liquidity concentration, distribution control and regulatory convergence. The architecture is already visible. The next phase will be determined by which institutions turn that architecture into operating scale.

10.1 What Is Likely to Scale First

The first area with strong scaling potential is regulated private settlement assets integrated into existing financial workflows. The Eurosystem's March 2026 payments strategy and subsequent speeches point toward a model in which tokenised deposits and properly designed, euro-denominated, EU-governed stablecoins support innovation across payments and tokenised markets while central bank money preserves the settlement anchor. This gives institutions a clearer path for deployment, especially where digital money can be embedded into treasury, settlement and payment processes.

A second area with strong momentum is tokenised settlement infrastructure linked to capital markets and collateral. The ECB's recent work on tokenised money market funds highlights near-24/7 availability, programmability and collateral use cases, while also flagging liquidity and operational risks. Tokenised cash, tokenised collateral and tokenised short-term instruments are increasingly being treated as connected parts of one institutional liquidity stack.

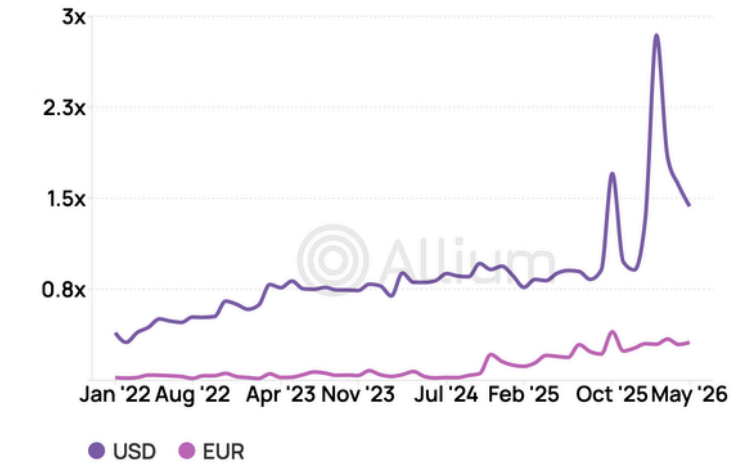
10.2 What Is Likely to Remain Constrained

The main constraint remains euro liquidity depth and distribution power. Dollar-denominated stablecoins retain a large advantage in secondary liquidity, exchange connectivity and global distribution. Reuters reported in April 2026 that Tether exceeded $185 billion in circulation, while the leading euro-denominated stablecoin remained only a small fraction of that level. That gap affects pricing, utility and market confidence. Institutions may prefer euro-denominated instruments for regulatory or strategic reasons while still facing liquidity and access incentives that favour dollar-based instruments.

Allium's monthly turnover data shows that the constraint is not only supply size, liquidity depth or exchange access, but also transaction intensity. USD stablecoins turn over more frequently than EUR stablecoins, indicating deeper usage cycles and more active settlement activity.
For euro-denominated instruments, the next phase of growth will therefore depend not only on issuance, but also on whether stablecoins become embedded in recurring payment, treasury, settlement and liquidity workflows.

A second constraint is fragmented legal and operational treatment of settlement instruments. The ECB's April 2026 opinion on tokenised settlement assets notes that tokenised deposits still lack a common Union definition in banking legislation. This affects how banks, infrastructures and investors assess settlement design, risk and scalability. A third constraint is the implementation burden of compliance and operational control. The EBA's role under MiCA and its 2026 work programme show that supervision of significant ART and EMT issuers is becoming more active and structured. Institutions will therefore continue to favour instruments and infrastructures that can be embedded into existing control environments.

USD stablecoins turn over 1.4x a month; EUR only 0.3x



Source: Allium, June 2026.

10.3 The Post-MiCA Regulatory Phase

The MiCA grandfathering period for crypto-asset service providers ended on 1 July 2026, marking a major implementation milestone for the European digital-asset market. From that point onward, crypto-asset service providers serving EU clients must operate under MiCA authorisation unless they fall within a specific authorised or transitional supervisory arrangement. This reinforces the shift from fragmented national frameworks toward a harmonised European regulatory environment. The end of the grandfathering period is expected to accelerate market consolidation around regulated institutions and infrastructure providers while increasing confidence among banks, corporates, asset managers and other institutional participants.

At the same time, Europe is already entering the next phase of regulatory development. In May 2026, the European Commission launched public consultations on the review of MiCA to assess whether the framework remains fit for purpose as tokenisation, stablecoins, digital-asset markets and institutional use cases continue to evolve. The consultation process provides industry participants with an opportunity to shape the next generation of European digital-asset regulation and signals that Europe views digital-money infrastructure as a long-term strategic policy domain rather than a completed regulatory project.
The consultation process also demonstrates that Europe increasingly views digital money, tokenisation and settlement infrastructure as permanent components of the financial system rather than temporary innovation initiatives.

10.4 The Competitive Field Is Narrowing Around Control Points

Over the next two years, competition is likely to intensify around four control points: settlement anchoring, distribution, liquidity, and governance. These are the layers through which institutions shape adoption. The ECB's model gives central bank money a foundational role, but private players will compete intensively around access, routing, orchestration and customer interfaces. Recent developments reinforce this.

Qivalis has expanded from an initial bank consortium into a broader European initiative involving 37 financial institutions across 15 countries, strengthening the case for bank-led euro stablecoin infrastructure while also highlighting the coordination challenge involved in scaling shared private-money initiatives.

The initiative also highlights a broader shift in European digital-money markets. Regulatory authorisation is increasingly becoming a prerequisite rather than a differentiator.

Competitive advantage is moving toward liquidity formation, distribution reach and integration into existing financial workflows.

Visa plans to expand Bridge-linked stablecoin card infrastructure to more than 100 countries, while Mastercard has announced a definitive agreement to acquire BVNK, subject to closing. These developments indicate that global payment networks are positioning around stablecoin access, conversion and distribution, but they should be read as strategic infrastructure moves rather than proof of settled adoption at scale.

SG-FORGE is extending distribution through MetaMask and multi-chain expansion.
These moves show that value is concentrating around access, workflow integration and infrastructure connectivity.

A defining characteristic of the next phase is likely to be consolidation around a smaller number of regulated issuers, settlement infrastructures, custodians and distribution platforms. As regulatory requirements increase and institutional adoption expands, scale, compliance capabilities and network effects are expected to become increasingly important competitive advantages.

10.5 The Role of the Digital Euro

The digital euro remains relevant in the European model, but its role is distinct. The ECB has indicated that, subject to the adoption of the necessary legislative framework and subsequent policy decisions, a digital euro could become available toward the end of the decade. That timing means the digital euro will not define the near-term scaling phase of institutional digital money in Europe. Its significance lies in the longer-term design of retail public money, payment competition and sovereignty. The nearer-term institutional market will be shaped primarily by tokenised deposits, stablecoins, settlement infrastructure and regulated private-sector integration.

10.6 What Institutions Should Watch

Institutions should monitor five developments closely: the scaling path of euro-denominated stablecoins and EMTs; legal and supervisory treatment of tokenised deposits; the rollout of Pontes and related wholesale settlement initiatives; the integration of digital money into treasury and tokenised capital-market workflows, including tokenised MMFs and collateral mobility; and the concentration of distribution power across banks, PSPs, card networks, wallets and platforms. These factors will determine whether Europe develops a coherent and competitive digital-money market or a fragmented environment with innovation but limited monetary scale.

At the same time, the expansion of private euro-denominated stablecoins remains contested. The ECB has continued to warn that stablecoins can create risks around liquidity, financial stability and monetary control if they scale without sufficiently robust safeguards. Europe's emerging model therefore remains a managed balance between private-sector innovation, bank-led initiatives, and central-bank oversight.

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The next phase of European digital money will be defined by execution. Central bank money is being prepared as the wholesale anchor. Private digital money is being channelled through regulated forms. Banks, PSPs, issuers and market infrastructures are positioned around settlement, liquidity and access. The institutions most likely to shape this market are those that can align instrument choice, governance, interoperability and real workflow integration within a euro-centred system.

11 Conclusion: Europe Is Building a Layered Monetary System

Europe's digital money market is taking shape through institutional layering rather than convergence around a single settlement instrument. The policy direction set by the Eurosystem in March 2026 establishes central bank money as the core settlement anchor, while explicitly allowing a role for tokenised deposits and regulated, euro-denominated stablecoins operating under defined governance, interoperability and supervisory conditions. This framework positions public and private forms of digital money within a coordinated system.

Recent developments across the European financial system reinforce this direction. Reuters reported in April 2026 that French Finance Minister Roland Lescure publicly supported the expansion of euro-denominated stablecoins and tokenised deposits as part of France's broader strategy to strengthen European monetary sovereignty and digital-payment infrastructure. In parallel, the Qivalis initiative, involving ING, UniCredit, BNP Paribas, CaixaBank, KBC, Danske Bank, DekaBank, Banca Sella, SEB and Raiffeisen Bank International, is targeting the launch of a euro-denominated stablecoin in the second half of 2026. AllUnity is positioning EURAU as a regulated euro-denominated stablecoin for institutional payments, settlement and treasury use cases. Société Générale – FORGE continues to expand the distribution of EUR CoinVertible and USD CoinVertible through wallet, exchange and multi-chain channels.

The emergence of multiple regulated euro-denominated issuance models suggests that competition is increasingly shifting from regulatory approval toward liquidity formation, distribution and institutional integration. Regulatory authorisation is becoming a prerequisite rather than a differentiator. Long-term success is likely to depend on the ability to attract liquidity, secure distribution and embed digital money into existing financial workflows.

One of the defining characteristics of Europe's emerging digital-money ecosystem is the extent of direct banking-sector participation. Commercial banks, banking consortia and regulated financial institutions are playing a more active role in the development of digital-money infrastructure than in many other regions. This involvement extends beyond issuance into settlement, treasury, payments and market infrastructure, creating a more institutionally integrated model for digital-money adoption. As a result, Europe's competitive dynamics increasingly depend on interoperability, liquidity coordination, governance and shared infrastructure rather than on issuance alone.
Banque de France and Euroclear are progressing joint work on tokenised securities and settlement systems. Pontes is scheduled to begin supporting wholesale DLT settlement from September 2026, and Appia extends the same architecture into Europe's future-ready market-infrastructure strategy.

Market structure dynamics continue to shape adoption trajectories. Dollar-denominated stablecoins maintain a structural advantage in liquidity depth and global distribution, with Tether exceeding $185 billion in circulation and USDC maintaining tens of billions in supply as of April 2026. By comparison, euro-denominated instruments remain significantly smaller in aggregate supply. This affects liquidity depth, secondary-market activity and integration into global settlement networks. European policymakers therefore link the development of euro-based digital money directly to monetary sovereignty, payment-system resilience and competitive positioning.

Institutional adoption is determined by alignment between instrument characteristics and workflow requirements. Stablecoins and EMTs support programmable payment environments, digital-asset markets and treasury use cases where portability and interoperability are required. Tokenised deposits extend commercial bank money into digital settlement environments while maintaining balance-sheet continuity and regulatory alignment. Central-bank-linked settlement infrastructure provides finality, convertibility and systemic coherence for interbank and capital-market transactions. The relevant choice depends on liquidity requirements, regulatory treatment, operational control and settlement design.

These dynamics have direct implications for financial institutions. Banks such as Deutsche Bank and JPMorgan through Kinexys are developing tokenised deposit and blockchain settlement capabilities. Payment service providers and platforms such as Stripe and OpenPayd are integrating stablecoins into cross-border settlement, treasury operations and payout workflows. Market infrastructures such as Euroclear and SIX Digital Exchange are aligning tokenised asset platforms with regulated settlement environments. Infrastructure providers including Fireblocks, BVNK, Zodia Custody and Tangany are building the operational layer required for institutional deployment. Distribution and access are becoming critical determinants of market positioning. Visa is expanding stablecoin-linked card infrastructure; Mastercard's planned acquisition of BVNK highlights the strategic importance of fiat-to-on-chain payment infrastructure; and wallet providers such as MetaMask are becoming part of institutional distribution strategies.

The strategic positioning of institutions is therefore defined by their ability to operate across a coordinated monetary stack. This includes access to the appropriate settlement instruments, integration into treasury and payment workflows, management of liquidity across multiple rails, and alignment with regulatory and compliance frameworks. Institutions that can combine these capabilities within a euro-denominated system are positioned to influence the next phase of market development.

Rather than converging on a single dominant model, Europe is increasingly moving towards a multi-layer monetary architecture in which stablecoins, tokenised deposits, central bank money and tokenised settlement assets coexist and serve different functions.
The strategic question is increasingly shifting from issuance toward settlement, interoperability and liquidity coordination across different forms of digital money.

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Europe is building a layered monetary system in which central bank money, tokenised deposits, stablecoins and tokenised market infrastructure perform distinct and complementary roles. Competitive advantage within this system will be determined by the ability to coordinate settlement, liquidity, distribution and governance across multiple layers. Institutions that control access to these layers will play a central role in shaping the structure and scale of European on-chain finance.

Final Thoughts

Europe's digital-money market is moving from policy design and pilot projects toward large-scale implementation.
The central question is no longer whether digital forms of money will become part of the financial system, but how different forms of digital money will coexist, interact, and scale within a coordinated European framework.

The institutions most likely to succeed will not necessarily be those that move first, but those that correctly align settlement models, governance structures, liquidity design, regulatory requirements, and operational workflows with the needs of their clients and counterparties.
The next phase of market development will be defined less by technology choices and more by interoperability, distribution, liquidity formation, and institutional coordination. The organisations that understand how these layers interact will be best positioned to shape the future of payments, treasury, settlement, and capital markets in Europe.

For banks, financial institutions, corporates, asset managers, market infrastructures, and policymakers, digital money is increasingly becoming a strategic infrastructure question rather than a technology initiative.

Europe's approach is also increasingly distinguished by the active participation of banks, market infrastructures and regulated financial institutions in the development of digital-money infrastructure, creating a more institutionally integrated model than many other jurisdictions.

The institutions that succeed will be those that view digital money not as a standalone product category, but as a new operating layer for payments, treasury, settlement and capital markets.

The future of money in Europe will ultimately be determined not by any single instrument, issuer, or platform, but by the ability of public and private actors to build a resilient, interoperable, and globally competitive monetary ecosystem.

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