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Unlocking value with stablecoins: strategic applications for financial institutions

PwC Switzerland Digital Assets Centre of Excellence

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Executive Summary

Stablecoins have transitioned from a niche digital innovation to a mainstream financial solution. In the past 12 months, they facilitated USD 47 trillion[1] in transactions – surpassing global payment networks such as Visa and Mastercard. Major financial institutions including BlackRock, Visa, J.P. Morgan and PayPal have already integrated stablecoins into their operations. Once considered experimental, stablecoins are now an established means of conducting transactions.

For financial institutions, this shift presents both a challenge and an opportunity. Stablecoins enable faster settlement, programmable transfers, real-time liquidity and cross-platform interoperability – all of which can unlock measurable value across trading, treasury, asset management, payments and custody services. However, harnessing these advantages means navigating a complex and evolving regulatory landscape.

Switzerland provides a mature regulatory framework for digital assets. Public issuance remains subject to stringent requirements, particularly around capital backing, risk management and anti-money-laundering obligations. However, the Swiss Federal Council's proposed amendments to the Financial Institutions Act signal a shift towards more explicit regulation. These changes aim to remove current constraints such as deposit limits while enhancing credibility by giving client funds better protection.

This paper explores the most relevant stablecoin use cases for financial institutions, drawing on global examples to illustrate what's already working and what's realistically implementable in the current environment. It outlines where value can be generated today and how players can take a leadership role in shaping the future of programmable finance.

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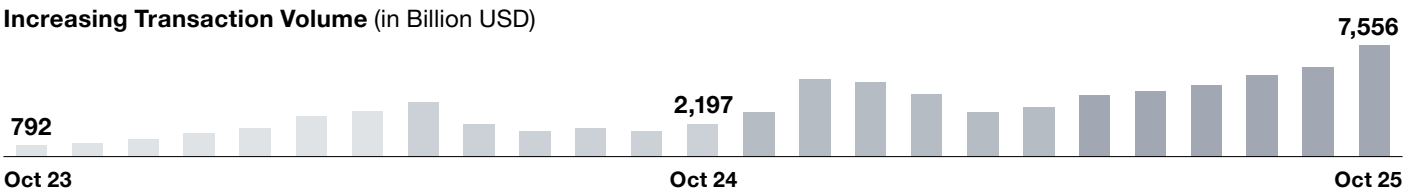
[1] Visa Onchain Analytics. https://visaonchainanalytics.com/transactions

01

Stablecoins: from concept to strategic tool

As financial institutions reassess their infrastructure for the digital age, stablecoins are emerging as a versatile building block for innovation. They are now viewed as means to achieve programmable finance, enabling new models for payments, liquidity and custody across the financial services value chain. This trend is validated by the recent growth of stablecoins to 30% of total crypto transaction volume in the first half of 2025.[2] These blockchain-based tokens, typically pegged to fiat currencies like the USD, EUR or CHF, provide a new way to move and manage money – faster, around the clock and with programmability that traditional systems lack.

Figure 1: Monthly stablecoin transaction volume



The increase in global stablecoin adoption is evident in the figure above, with an increase of almost 10 times in the volume of stablecoin transactions in the last 2 years[3]. This transformation is being driven by **three converging forces:**

1) **rising demand for always-on financial services,**
2) **increasing adoption of tokenised assets, and**
3) **growing interest in interoperable, digital-native settlement infrastructure.**

Beyond the global rise in stablecoin use, what sparked our interest was the increase in European B2B payments, as seen in the two charts on the following page. The apparent rise in European on-chain stablecoin transactions is supported by the increasing institutional adoption and regulatory clarity (such as MICA in the EU), however it doesn't yet reflect large-scale use of euro-backed stablecoins, which remain a small fraction of global stablecoin supply.

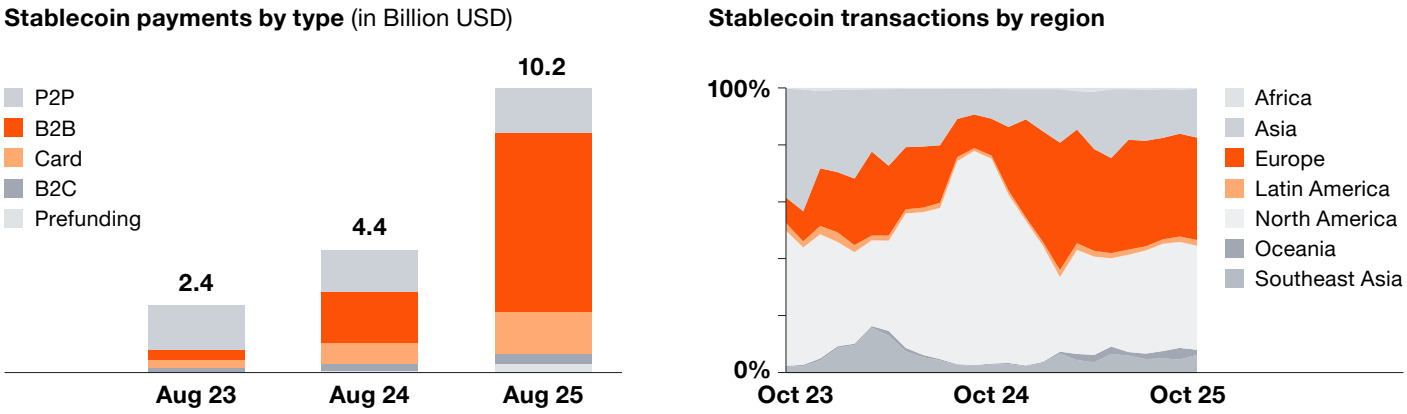
Stablecoins offer a bridge between traditional finance and blockchain-enabled models, creating optionality for institutions to **modernise infrastructure while maintaining regulatory and operational control.** They function by maintaining 1:1 reserve backing – commonly in cash or high quality and liquid assets – and operate on public blockchains (such as Ethereum) or private permissioned networks (like JPM Coin's Onyx platform[4]). This fragmentation underscores the need for institutions to evaluate chain compatibility early on, considering scalability, interoperability and compliance requirements. Their programmable nature makes stablecoins uniquely suited for next-generation finance, offering benefits in terms of liquidity, automation

2 TRM Labs (2025). 2025 Crypto Adoption and Stablecoin Usage Report

3 Artemis Analytics

4 J.P. Morgan (2023). Onyx Coin Systems. J.P. Morgan Official Website.

Figure 2: Monthly stablecoin payments by type[5]



and real-time settlement. Most importantly, stablecoins are already being adopted by global financial institutions: Visa is using USDC for settlements[6], BlackRock is investing in tokenised infrastructure[7] and J.P. Morgan has processed over one trillion USD in interbank flows through JPM Coin[8]. These examples illustrate how stablecoins are evolving from a nascent technology into a key component of traditional finance. A recent development reinforcing this trend is the rise of yield-bearing stablecoins such as Mountain Protocol's USDM, which passes through yield from short-term U.S. Treasury bills, and the emergence of stablecoin-backed lombard loans allowing institutions to leverage holdings for liquidity – signalling that stablecoins are not only used for payments or settlement, but also as a competitive store of value and collateral.

What distinguishes stablecoins from other forms of digital money such as cryptocurrencies or central bank digital currencies (CBDCs) is the way they're designed to maintain price stability through reserve backing or algorithmic mechanisms. Stablecoins are typically issued by private entities; CBDCs, on the other hand, are issued by central banks and focus on public monetary infrastructure. Both can coexist in the future financial system: CBDCs may support sovereign monetary policy and retail payment inclusion, while stablecoins are already enabling cross-border, private-sector innovation.

For financial institutions, the question is no longer whether stablecoins will matter but where they can drive concrete value. Their application potential spans the full spectrum of services: liquidity management, FX, asset tokenisation, B2B payments and more. The path forward will require regulatory dialogue, technical enablement and carefully scoped pilots – but the strategic window is open.

Stablecoins are rapidly transitioning from a nascent technology into a core component of traditional finance, as evidenced by their adoption by major institutions.

5 Artemis Analytics

6 Visa (2023). USDC Settlement Pilot: Expanding Multi-Currency Settlement Capabilities on Chain. Visa Newsroom.

7 BlackRock (2024). BlackRock launches first tokenized fund on Ethereum. https://www.blackrock.com/corporate/newsroom

8 Kinexys by J.P. Morgan. JPMC proprietary data 2024

02

Use cases for stablecoins in financial services

As digital assets increasingly become part of mainstream financial services, stablecoins present tangible opportunities for financial institutions across the value chain. From transactional use cases to liquidity management and tokenised asset operations, stablecoins present diverse ways to enhance efficiency, reduce friction and unlock new value. In this chapter we outline selected applications, drawing on international examples and assessing benefits, challenges and potentials.

Case 1: Institutional liquidity & 24/7 settlement

Enabling round-the-clock liquidity management and instant settlement across markets, eliminating weekend and holiday constraints while optimising capital efficiency

Case 2: Collateralisation & credit operations

Transforming collateral management through programmable, real-time margin calls and automated liquidation processes, reducing counterparty risk and operational overhead

Case 3: Client treasury services & cash management

Enabling corporate clients to streamline global treasury operations with programmable stablecoin infrastructure, providing 24/7 liquidity management while reducing FX costs and operational complexity seamlessly integrated into existing treasury workflows

Case 4: Cross-border payments & remittances

Providing near-instant international transfers at a fraction of traditional costs, bypassing correspondent banking networks while maintaining regulatory compliance

Case 5: Custody & reserve services

Providing institutional-grade custody solutions and tokenised reserve management, creating new revenue streams while meeting growing demand for digital asset infrastructure

Case 6: Stablecoin issuance

Issuing stablecoins to be able to take a more active role in shaping money infrastructure and unlocking new B2B service layers

Case 1

Institutional liquidity & 24/7 settlement

Relevance

Liquidity management can be a challenge for financial institutions, particularly those operating across various entities and time zones or with multiple counterparties. Traditional rails limit fund movements to banking hours, creating settlement delays, trapped capital and operational inefficiencies. Stablecoins offer a compelling solution enabling real-time settlement and 24/7 liquidity flows.

Benefits and value creation

Stablecoins allow financial institutions to unlock capital that would otherwise be tied up in accounts or delayed in traditional batch settlement systems. Corporate banks can streamline internal treasury operations across subsidiaries; asset managers can optimise margin calls or fund flows between portfolios; and custodians can reduce liquidity buffers by means of near-instant transfers. The benefits include improved capital efficiency, reduced settlement risk and better client servicing thanks to faster availability of funds.

Examples

- Visa has integrated USDC and other stablecoins into its cross-border settlements platform.[9]
- Blackrock's BUIDL is a tokenised money market fund that uses Circle's USDC stablecoin for settlement and liquidity.[10]

[9] Visa (2025). Visa Expands Stablecoin Settlement Support. https://investor.visa.com/news/news-details/2025/Visa-Expands-Stablecoin-Settlement-Support/default.aspx

[10] Financial Times (2024). BlackRock Buidls back better. https://www.ft.com/content/58e3e9a1-ecf2-4a3a-b301-1cd4e6aeb330

Case 2

Collateralisation & credit operations

Relevance

In today's financial system, collateral management is fragmented and operationally intensive, with collateral tracked and managed across different systems and counterparties that don't always communicate in real time. Whether in margin lending, repo markets or derivatives, the reuse of assets is often restricted by manual processes, time lags in settlement and siloed infrastructure. Stablecoins introduce programmable collateral that can move instantly across platforms.

Benefits and value creation

By using stablecoins as collateral, financial institutions can improve the efficiency and speed of credit intermediation. Settlement risk is reduced because transactions are executed and settled instantly rather than relying on delayed clearing cycles. This enables faster capital reuse and minimises counterparty exposure. Furthermore, the on-chain transparency of stablecoins allows continuous collateral monitoring, improving risk management. This can be particularly relevant in volatile markets, as stablecoins offer faster settlement within automated credit flows.

Examples

- BlackRock's BUIDL, a money market fund on a public blockchain in collaboration with Securitize, will be accepted as collateral on major exchanges, allowing traders to use a stable, income-generating asset with lower minimum collateral requirements, freeing up capital for other investments.[11]
- Klarna will start allowing USDC as a funding source for its lending products using Coinbase's infrastructure in the course of 2026.[12]

[11] Forbes (June, 2025). Major Crypto Exchanges To Accept BlackRock's $2.9 Billion Tokenized Money Market Fund As Collateral

[12] Klarna (2025). https://www.klarna.com/international/press/klarna-partners-with-coinbase-to-add-stablecoin-to-funding-mix/

Case 3

Client treasury services & cash management

Relevance

While our first use case focused on enhancing internal banking operations, this one focuses on banks enabling corporate clients to optimise their own treasury workflows. Global corporations operate complex treasury operations across jurisdictions, often managing dozens of bank accounts to support local disbursements, funding and liquidity. Traditional setups face delays due to cut-off times, lack of interoperability and reliance on intermediary banks, making intra-day liquidity management both inefficient and costly. Stablecoins have the potential to bypass these frictions by enabling near-instant settlement and centralised liquidity management, even across borders and time zones.

Benefits and value creation

Stablecoins can transform treasury operations by unlocking 24/7 programmable transactions, automating liquidity movements and reducing FX conversion fees for most players. For financial institutions, this translates into new-value added services for large clients: offering FX-efficient corridors, automating treasury reconciliation and embedding compliance into programmable flows (e.g. using smart contracts to automate AML rules). Moreover, stablecoin-based treasury rails can reduce operational complexity by settling disbursements across countries and moving funds between internal accounts quickly. This is especially relevant when stablecoins are integrated into digital asset custody or banking-as-a-service platforms that can natively handle digital assets.

Examples

- Siemens became one of the first major industrial firms to issue a digital bond on a public blockchain, settling in stablecoins as part of its broader treasury innovation efforts.[13]
- Stripe enables stablecoin payouts to freelancers and gig workers globally, using USDC to reduce latency and FX overhead.[14]

[13] Siemens (2023). Siemens issues first digital bond on blockchain. https://press.siemens.com/global/en/pressrelease/siemens-issues-first-digital-bond-blockchain

[14] Stripe: https://docs.stripe.com/connect/stablecoin-payouts

Case 4

Cross-border payments & remittances

Relevance

Cross-border payments remain notoriously slow and costly, especially for retail clients and SMEs operating in high-friction corridors (e.g. between emerging markets and developed economies). Traditional international transfers often involve multiple correspondent banks, opaque FX fees and settlement times ranging from several hours to days. Stablecoins offer a compelling alternative by enabling near-instant transfers with transparent fees and programmable logic – reducing friction, especially for lower-value transactions or remittance flows.

Benefits and value creation

Stablecoins can cut transaction costs by bypassing the correspondent banking network and enabling direct transfers over public blockchains. This is particularly impactful in markets with limited banking infrastructure or inefficient payment rails. Additionally, programmability enables more efficient payout flows, real-time tracking and conditional logic (e.g. escrow-style payments or milestone-based disbursements). For institutions, this opens up opportunities to serve previously unprofitable segments, such as individuals sending remittances abroad or long-tail SMEs, with automated, low-margin, high-volume models.

Examples

- Moneygram, in collaboration with Stellar and Circle, allows customers to send and cash out USDC at retail locations in over 180 countries – bridging crypto and fiat without a traditional bank account.[15]
- Visa has piloted stablecoin-based settlement for cross-border card payments, reducing the need for FX intermediaries and enabling 24/7 processing across different time zones.[16]

[15] Circle (2021). USDC Remittances – Moving the Flywheel of the Global Economy. https://www.circle.com/blog/moneygram-stellar-usdc-global-cross-border-payments

[16] Visa (2025). Visa's role in stablecoins. https://corporate.visa.com/en/sites/visa-perspectives/innovation/visas-role-in-stablecoins.html

Case 5

Custody & reserve services

Relevance

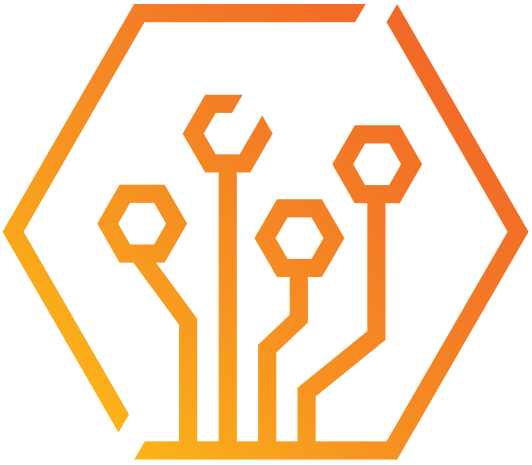
Traditionally, custody and reserve management has been siloed and manually executed, with some financial institutions relying on third-party vaults, reconciliations and even paper-based based processes. This operational fragmentation results in slower access to client funds and higher operational costs. Stablecoins offer a solution though blockchain-based custody and tokenised reserves, enabling digital-native asset servicing with greater transparency and speed.

Benefits and value creation

By offering institutional-grade custody of stablecoins and (where permitted) holding fiat reserves for stablecoin issuers, financial institutions can tap into fee income while modernising core asset servicing operations. Blockchain-based custody enables faster provisioning of capital, real-time visibility for clients and flexible settlement options. This creates new lines of business for asset servicers, wealth managers and institutional custodians while positioning them as digital asset leaders.

Examples

- BNY Mellon has become a lead custodian for stablecoins: it holds fiat reserves backing USDC with Circle, facilitates minting/burning operations and provides custody services for tokenised funds such as BlackRock's BUIDL.[17]
- State Street is building digital custody infrastructure in partnership with Taurus, preparing to launch secure tokenised asset services in 2026 – including custody for stablecoins and tokenised collateral.[18]



[17] Circle (2022). Circle selects BNY Mellon to Custody USDC Reserves. https://www.circle.com/pressroom/circle-selects-bny-mellon-to-custody-usdc-reserves

[18] State Street (2024). State Street Announces Agreement with Taurus to Deliver Full Service Digital Platform for Institutional Investors. https://investors.statestreet.com/investor-news-events/press-releases/news-details/2024/State-Street-Announces-Agreement-with-Taurus-to-Deliver-Full-Service-Digital-Platform-for-Institutional-Investors/default.aspx

Case 6

Stablecoin issuance

Relevance

Issuing stablecoins represents a strategic opportunity for financial institutions to take a more active role in shaping money infrastructure. Today, fiat settlement relies on fragmented systems, multi-day clearing processes and intermediary-heavy value chains. Issuing a proprietary stablecoin allows institutions to introduce a programmable asset that aligns with their compliance and liquidity requirements.

Benefits and value creation

This use case is particularly relevant for institutions that manage high internal transaction volumes (e.g. intercompany settlements and platform-based payments) or that aim to offer faster digital payment rails for clients. A bank- or institution-issued stablecoin can enhance customer loyalty, reduce dependency on third-party issuers and unlock new B2B service layers, especially when used as a foundation for digital asset settlement or programmable finance applications. However, it's important to note that this use case means meeting high regulatory requirements, which might hamper the rapid achievement of the benefits mentioned here.

Examples

- JPMorgan's Kinexys (formerly JPM Coin) serves as a precedent: used for internal wholesale payments, it processes over USD 2 billion per day and recently expanded to euro-based settlement. While not publicly traded, it illustrates how institutions can launch closed-loop stablecoins that add real operational value.[19]

[19] J.P. Morgan (2023). Onyx by JPMorgan: Reimagining financial infrastructure. https://onyx.digital.jpmorgan.com


691.37
$124.78
$0.457

03

Legal and regulatory framework in Switzerland

Stablecoins offer tangible value across a range of financial applications. However, their adoption is shaped by evolving regulatory expectations. The EU has harmonised regulation of digital assets through its Markets in Crypto-Assets Regulation (MiCA), which is directly applicable across all member states and significantly impacts cross-border operations. Swiss entities cannot actively market or offer services to EU clients, regardless of MiCA compliance, unless they obtain authorisation through a licensed entity within the EU; however, they may continue to service EU clients from Switzerland on a strict reverse solicitation basis.

The current Swiss regulatory framework is principle-based and does not regulate stablecoins in a separate act, meaning that stablecoins are apprehended and regulated by the Swiss Financial Market Supervisory Authority (FINMA) under existing financial market laws, depending on the underlying asset. FINMA has a functional approach ("substance over form") where the economic function and purpose of a stablecoin defines its regulatory treatment on a case-by-case basis. FINMA has issued several guidelines over the years to clarify its practice regarding the regulatory treatment of stablecoins, namely:

- Supplement to the guidelines for enquiries regarding the regulatory framework for initial coin offerings (ICOs) in 2019
- FINMA Guidance 06/2024, where FINMA provided additional guidance for projects seeking to issue stablecoins and for banks providing default guarantees for issuers of stablecoins.

In its guidance, FINMA has confirmed that a stablecoin is classified based on its economic function, namely:

- As a deposit under banking law (Art. 5 para. 1 OB): This classification applies if the issuer assumes the associated costs and risks of the underlying asset. In this case, the token qualifies as a deposit under the Banking Act. However, this does not automatically trigger the need for a banking licence, as exceptions to the Banking Act (Art. 5 paras 2 and 3 Banking Ordinance) may apply. In such cases, if the funds are guaranteed by a bank (default guarantee), then they are not considered as deposits from the public. In this case, affiliation with a self-regulatory organisation as a financial intermediary is sufficient.
- As a collective investment scheme under the Collective Investment Schemes Act (CISA, Art. 7): This applies if the assets are managed at the expense and risk of the stablecoin holder, in which case the token is more likely to be considered a collective investment.

It is important to note that the Anti-Money Laundering Act (AMLA) generally applies to stablecoins, especially when they are classified as deposits. FINMA, in alignment with the Financial Action Task Force (FATF), emphasises the heightened risks associated with this area, including the potential for sanction evasion.

The current regulatory framework reflects Switzerland's nuanced approach to digital asset classification and oversight.

As part of its ongoing efforts to enhance the regulatory framework, the Swiss Federal Council, following (notably) its 2022 Digital Finance Report[20], which demonstrated the necessity of regulating stablecoins more specifically, has initiated consultations to improve conditions for market players, demonstrating its commitment to fostering the innovation. A consultation on amendments to the Financial Institutions Act (FinIA) has been opened and will run until 6 February 2026. The proposed new regulation aims to enhance the framework conditions for market development, boost the attractiveness of the Swiss financial centre and facilitate the integration of innovative financial technologies into the existing financial system. These consultations include, notably, the introduction of 2 new licences under the FinIA:

- A new licence category for **Payment Instrument Institutions** that introduces the ability to issue stablecoins. This licence is designed to replace the current existing fintech licence. The advantages of such a licence would include greater growth potential, with the removal of the CHF 100 million deposit limits, as well as enhanced credibility, with the establishment of client fund segregation.
- A new licence category for **Crypto-institutions** that provide various services involving cryptocurrencies, such as trading, custody or operations on organised trading systems. This new licence would be similar to the existing securities firm licence.

The proposed amendments will introduce more dedicated rules on stablecoins, marking an evolution of FINMA's principle-based approach and aligning Switzerland with emerging international standards in the digital asset environment.

While these licensing developments provide a clearer pathway for stablecoin issuers seeking public market engagement, given that not all stablecoin strategies face the same level of complexity, institutions must also consider how their specific use case aligns with the broader regulatory landscape. Internal use cases – such as liquidity management, settlement or tokenised collateral – are more likely to fit within the existing regulatory perimeter. Similarly, custodial services and integration with tokenised financial infrastructure (e.g. SDX) present viable opportunities for institutions willing to invest in compliance and risk controls.

Navigating this landscape requires more than technical readiness. It demands early regulatory engagement, clear governance models and a deep understanding of cross-border legal requirements. PwC supports financial institutions in evaluating the feasibility of stablecoin use cases, structuring compliant pilot programmes and building robust risk management frameworks tailored to Swiss and EU regulations.

Understanding what is possible today – and what might require policy alignment tomorrow – is essential. Stablecoins can deliver measurable value, but only when integrated responsibly and with regulatory clarity from the outset.

[20] Digital Finance: Areas of Action 2022+. https://www.news.admin.ch/en/nsb?id=87024

04

Strategic opportunities for financial institutions

The strategic case for stablecoins is increasingly clear — but success will depend on careful execution. For financial institutions, the opportunity lies not in speculation or hype, but in using stablecoins as a tool to solve real operational and client challenges. From cross-border payments to liquidity optimisation, the groundwork for adoption exists. What is needed now is structured exploration guided by regulation, enabled by partnerships and focused on measurable value.

The first step is defining where stablecoins can make a tangible difference. Financial institutions must assess their existing processes and client demands to identify relevant entry points. Liquidity management, FX efficiency and 24/7 settlement are clear use cases for treasury teams. In parallel, asset managers and custodians may see benefits in real-time collateral transfer and tokenised asset flows. Institutions that narrow their focus early — and avoid a one-size-fits-all approach — will be better positioned to test and scale.

Partnerships will be essential. The stablecoin ecosystem spans wallet providers, token issuers, blockchain infrastructure and custodians. No institution can succeed alone. Building internal teams with digital asset expertise is key but so is collaborating with trusted partners to deliver solutions that are both compliant and client-ready. This includes aligning with technology vendors, engaging with regulators early and participating in industry-wide pilots where appropriate.

Education must accompany execution. While institutional awareness of stablecoins is rising, many decision-makers still view them through a crypto-centric lens. Financial institutions have an opportunity to lead in reframing the narrative, positioning stablecoins as infrastructure, not speculation. This means engaging clients proactively, explaining the benefits and limitations clearly, and offering services that are intuitive, secure and compliant from day one.

Ultimately, success will be measured not by how many coins are issued or held, but by how effectively stablecoins improve service delivery, reduce friction and generate sustainable revenue streams. With the right strategy, Swiss financial institutions can move beyond observation and into leadership, shaping the next phase of digital finance in a way that is credible and scalable.

05

How PwC can support you

As stablecoins transition from concept to practical infrastructure, financial institutions have a unique opportunity to lead the change and promote the acceptance of stablecoins. However, execution must be tailored, compliant and strategically aligned. PwC supports clients at every stage of the stablecoin journey, from use case discovery to technology implementation:

- We help clients navigate the constantly evolving regulatory requirements, design compliant operating models and engage early with regulators.
- We evaluate internal processes, infrastructure readiness and client needs to identify the most relevant use cases and unlock real value for each client.
- We support pilot development, including technical design, risk controls and measurement frameworks, ensuring scalable deployments.
- We have the experience and expertise to build operational processes in alignment with the technological infrastructure so that stablecoin payment processes can be embedded in existing infrastructure.
- We help our clients build the right partnerships and governance to scale stablecoin services effectively.

With deep expertise across banking, legal, technology and compliance, PwC is uniquely positioned to help financial institutions move from strategy to leadership and shape the **future of programmable finance.**

Stablecoins represent not a distant innovation but a strategic instrument that financial institutions can already deploy today to generate value, navigate regulation with confidence and actively shape the future architecture of programmable finance.

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