

Secretariat

21 May 2026

Stablecoin adoption and implications for central banks CGFS-MC workshop

Venue: European Central Bank (ECB), Sonnemannstraße 20, 60314 Frankfurt am Main, Germany (Room MB GH C2.02)

Dates: Start: 12:00, 16 June, Tuesday; End: 17:30, 17 June, Wednesday

Co-Chairs: Daryl Ho (Executive Director, Monetary Management, HKMA) and Imène Rahmouni-Rousseau (Director General of Market Operations, ECB)

DAY 1: *Central bank and non-central bank participants in attendance*

Security and Registration 11:45 – 12:00

Buffet lunch (MG GH 2nd floor terrace) 12:00 – 13:30

1. **Opening remarks** 13:30 – 13:45

Welcome remarks from Isabel Schnabel (Member of the ECB Executive Board)

2. **Stablecoin adoption scenarios: the industry/academic view** 13:45 – 15:00

Session chair: Andréa Maechler (BIS).

This session will cover drivers of and roadblocks to widespread adoption of stablecoins (SCs), and its potential impact on the financial system. Two general, potentially complementary use cases of SCs will be in focus: (a) means of payment and (b) store of value.

Drivers of the adoption of SCs include: (a) design features, eg those shaped by regulatory standards, access to central bank balance sheets, and the availability of safe short-term assets; (b) the emergence of other digital innovations (eg tokenised bank deposits, tokenised funds, smart contracts, CBDCs) that complement or substitute for SCs; and (c) features of the “traditional” financial system, notably the extent of its tokenisation.

Questions for discussion:

- How will design features – eg asset backing, remuneration, redemption and rehypothecation standards, as well as potential access to central bank balance sheets – impact SCs’ moneyness and the adoption scenarios? How could the costs of converting between stablecoins and fiat currencies (on/off-ramping) affect adoption?
- How may existing policies or regulations in the “traditional” financial system – eg those targeting banks and/or markets – and the degree of tokenisation of “traditional” assets – eg bonds and stocks – affect SC adoption?
- How might SC adoption driven by the above factors differ across currencies and jurisdictions – eg domestic-currency vs foreign currency SCs; “small” vs

“large” economies; advanced vs emerging market economies (EMEs)? How, might roadblocks to SC adoption differ across currencies and jurisdictions?

- What are the relative merits of SCs and similar tokenised assets – eg tokenised bank deposits, money market funds and CBDCs – for specific use cases? How do the corresponding technologies compare to each other? How do the corresponding business models differ in terms of their dependence on the monetary policy cycle? Does the assessment differ between advanced economies and EMEs?

Leadoff speakers: Geoffrey Kendrick (Standard Chartered), Floris Lugt (Qivalis), Kelly Mathieson (Canton), Heiko Nix (Siemens).

3. Implications of SCs for money markets and banks

15:00 – 16:15

Session chair: Anne-Marie Mc Keirnan (Central Bank of Ireland).

The widespread adoption of SCs may impact markets and banks. Greater demand for “reserve assets” – ie the assets that back SCs – could influence yields, liquidity and volatility in short-term money markets and FX markets, with cascading effects on markets connected to them. For example, higher fair-weather demand for short-term government bonds could compress yields along the term structure and encourage issuance. In stress, flighty demand could generate volatility spikes. Broad SC adoption could also influence the composition of banks’ funding, the level of bank funding costs and their sensitivity to policy rates. Notably, these effects would depend on the composition of reserve assets.

Questions for discussion:

- How might SCs’ demand for reserve assets impact prices, liquidity conditions, and volatility in the markets for these assets? How does the answer change in the different adoption scenarios (payments vs store of value)? What scale of SC adoption might be needed for SC’s demand for reserve assets to have discernible effects?
 - Are fire-sales more likely? Are they more difficult to backstop? What role might redemption arrangements, reserve assets management and issuer failure regimes play in periods of stress?
 - How might market functioning evolve if SCs are adopted mainly as a means of payment versus as a store of value?
 - How might SC adoption affect the investor/funding mix of other market participants – eg money market funds – and the attendant liquidity needs?
 - In what way would the implications for market functioning differ across jurisdictions (eg advanced economy vs EMEs)?
- How would widespread adoption of SCs affect banks’ balance sheets?
 - What would be the implication for banks’ funding mix and the attendant liquidity needs?

- What could be the ultimate effect on the availability of bank lending and banks' business models?
- How do these implications depend on SCs' design and use cases? What if a SC issuer is in a position to create money (buy securities by issuing stablecoins that are a widely used means of payment)?

Leadoff speakers: Jason Granet (BNY), Gordon Liao (Circle), Daniel Vogel (BITSO).

Coffee break

16:15 – 16:45

4. SCs' implications for monetary policy transmission and monetary sovereignty

16:45 – 18:00

Session chair: Gerardo García (Bank of Mexico).

Depending on its impact on markets and banks, a broad adoption of SCs could impact monetary policy transmission through various channels. In the *domestic currency* context, the interest rate and credit channels may change, not least in stress episodes. In turn, *foreign currency* SCs could bring the exchange rate channel to the fore. From the perspective of economies with weak macro-financial fundamentals or a less developed financial system, monetary sovereignty may be at risk if SC adoption results in a dominant foreign currency.

Questions for discussion:

- How could widespread adoption of SCs impact central banks' ability to set and control interest rates? How could SC adoption affect the transmission of monetary policy to bank lending and broader financial conditions? How might this effect differ between business as usual and financial stress?
- How could SCs affect the role of central bank money in the financial system? Will they affect the level of demand for central bank reserves or their volatility? Will they create challenges for central banks in controlling the money supply? What are the implications if SCs' value deviates from parity?
- To what extent could SCs amplify cross-border spillovers of monetary policy, especially with EMEs at the receiving end? How is monetary sovereignty impacted if the wide adoption of SCs pegged to foreign currencies leads to currency substitution or "dollarisation"?
- How do the above considerations depend on the SCs' design features – notably, the composition of backing assets and remuneration? How do they depend on SCs' use cases as a means of payment and/or store of value?

Leadoff speakers: Nellie Liang (Brookings Institution), Yiming Ma (Columbia University), Ousmene Mandeng (LSE).

Housekeeping and group photo

18:00 – 18:30

Group dinner hosted by Isabel Schnabel

18:30 – 20:30

A dinner for participants will be held at the MB 3rd floor dining area in the ECB.

END OF DAY 1

DAY 2: *Only central bank participants in attendance*

5. Tour-de-table: Reaction to and lessons learned on day one of the workshop 9:00 – 10:30

Session chairs: Daryl Ho (HKMA) and Imène Rahmouni-Rousseau (ECB).

Participants to discuss the lessons learned from the discussion on day one.

Questions for discussion:

- What seemed to be the most definitive takeaways from yesterday's discussion?
- What did you hear yesterday that surprised you, or that changed your thinking about the SC landscape?

Leadoff speakers: Brett Berger (Federal Reserve Board), Sara Castellanos (Bank of Mexico), Jan de Wit (National Bank of Belgium), Kirstin Hubrich (Deutsche Bundesbank).

Coffee break

10:30 – 11:00

6. Domestic-currency SCs: implications for central banks' operational frameworks 11:00 – 12:30

Session chair: Rochelle Edge (Federal Reserve Board).

In the context of *domestic-currency* SCs, this session aims to explore key considerations in determining whether and how SC issuers could be granted access to central bank balance sheets, both on the liabilities side (reserve accounts, settlement accounts, liquidity absorption facilities) and the assets side (liquidity provision facilities). It will cover potential benefits, risks and trade-offs associated with such access, as well as SC issuers' potential impact on the demand for central bank reserves. The session will also examine other potential adjustments to operational frameworks that could complement or serve as alternatives to granting SC issuers access. Additionally, it will examine whether existing liquidity facilities need to be revised to support market functioning and ensure the effective transmission of monetary policy.

Questions for discussion:

- For domestic currency SCs, what are the relevant considerations for allowing SC issuers access to central bank balance sheets? How does the answer depend on SC issuers' business models, their behaviour as market participants and the jurisdictions of their headquarters and/or affiliated entities?
- If SCs are widely adopted, can access to central bank liquidity facilities be credibly denied? What are the relevant considerations to ensure that access promotes consistency, both across financial market participants and over time?
- If SCs are backed in whole or in part by central bank reserves, to what extent would this expansion of "narrow banking" effect operations?
- What is the potential impact on the level and volatility of the demand for reserves as well as the distribution of reserves in the system? What are the implications for the implementation of monetary policy and its transmission?

What policy safeguards (eg access criteria, caps, tiered remuneration) would be appropriate?

- If access is granted to SC issuers, how might central banks implement such access on the liabilities side and/or the assets side of their balance sheet? How might they consider structuring and remunerating reserves held by SC issuers?
- Might adjustments to existing liquidity facilities for traditional counterparties be needed? If so, what adjustments? What other changes to operational frameworks might central banks consider, either in addition to or as an alternative to granting balance sheet access?

Leadoff speakers: Andrew Danzig (Federal Reserve Bank of New York), Giuseppe Ferrero (Bank of Italy), Manuel Munoz (Bank of England).

Buffet lunch (MG GH 2nd floor terrace)

12:30 – 14:00

7. Foreign-currency SCs: implications for central banks and other authorities

14:00 – 15:30

Session chair: Gerardo García (Bank of Mexico).

The adoption of *foreign-currency* SCs (primarily USD-denominated) may have implications for the functioning of domestic-currency markets and monetary sovereignty. In EMEs in particular, the widespread adoption of SCs pegged to foreign currencies may lead to currency substitution ("dollarisation") and might undermine the implementation of capital flow management measures. This session invites participants to discuss potential actions that central banks and other policy makers can take to shape outcomes in scenarios where foreign-currency SCs coexist with a domestic fiat or digital currency. It will also explore policy options to address scenarios where foreign-currency SCs pose a threat to monetary sovereignty.

Questions for discussion:

- What policy adjustments might central banks and other authorities want to consider in managing the coexistence of foreign-currency SCs with domestic fiat or digital currencies? What policy adjustments might help ensure that the adoption of foreign-currency SCs does not replace domestic currencies?
- How can authorities benefit from efficiency gains that SCs' bring in payments (eg speed and continuity) while managing potential disruptions to domestic monetary policy?
- How could central banks and other authorities mitigate macro-financial risks and safeguard monetary sovereignty in the face of a broad domestic adoption of foreign currency stablecoins? How would the policy measures differ between AEs and EMEs?

Leadoff speakers: Claire Ingram Bogusz (Sveriges Riksbank), Desmond Ong (Monetary Authority of Singapore), Sang Soon Park (Bank of Korea), Vladimir Werning (Central Bank of Argentina).

Coffee break

15:30 – 16:00

8. **Reflection round**

16:00 – 17:00

Session chair: Daryl Ho (HKMA) and Imène Rahmouni-Rousseau (ECB).

This session will be a tour-de-table of participants' key takeaways from the workshop. The insights gathered during this discussion will serve both as input for a workshop summary, to be presented to the MC and CGFS later in the year, and as a guide for future work.

END OF DAY 2
