



# Anchoring trust in money: innovation beyond stablecoins

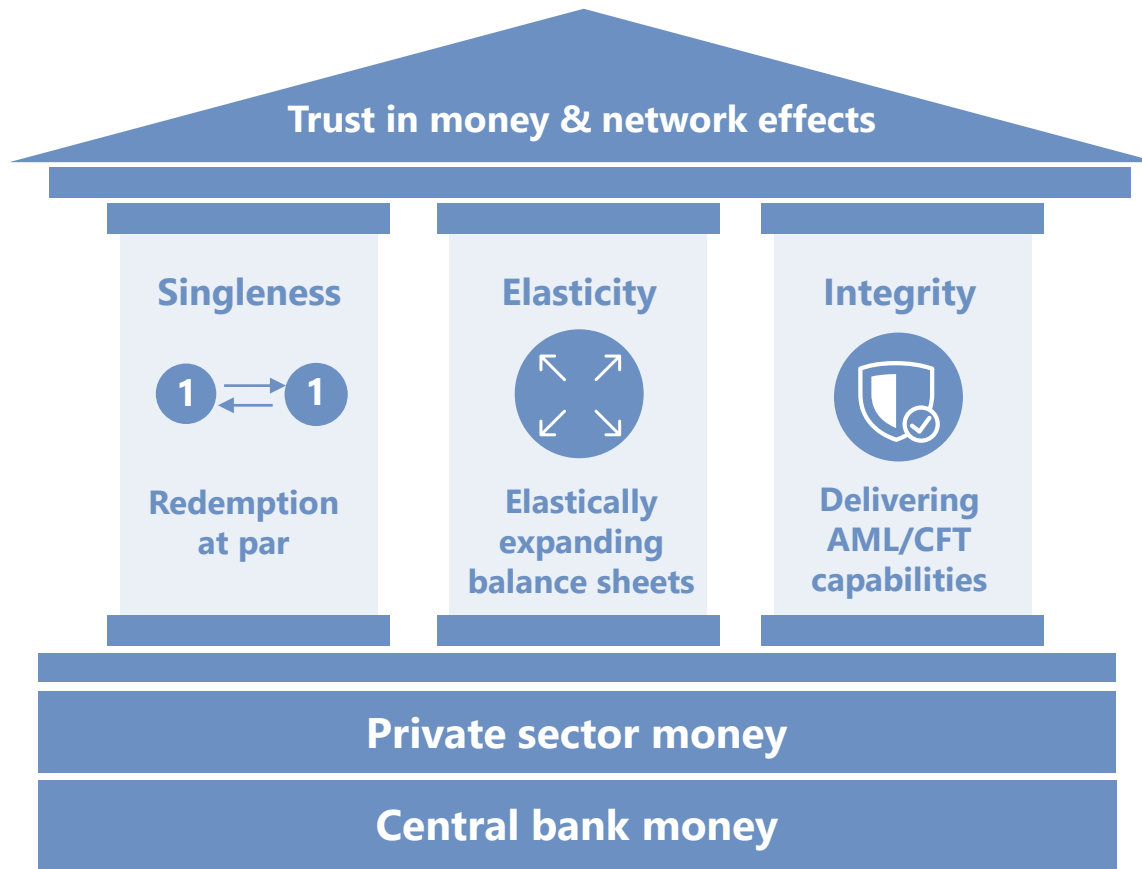
Frank Smets

Acting Head of the Monetary and Economic Department and  
Head of Economic Analysis and Statistics

Basel, Switzerland, 28 June 2026

# Improving the old, enabling the new

## Today's two-tier system



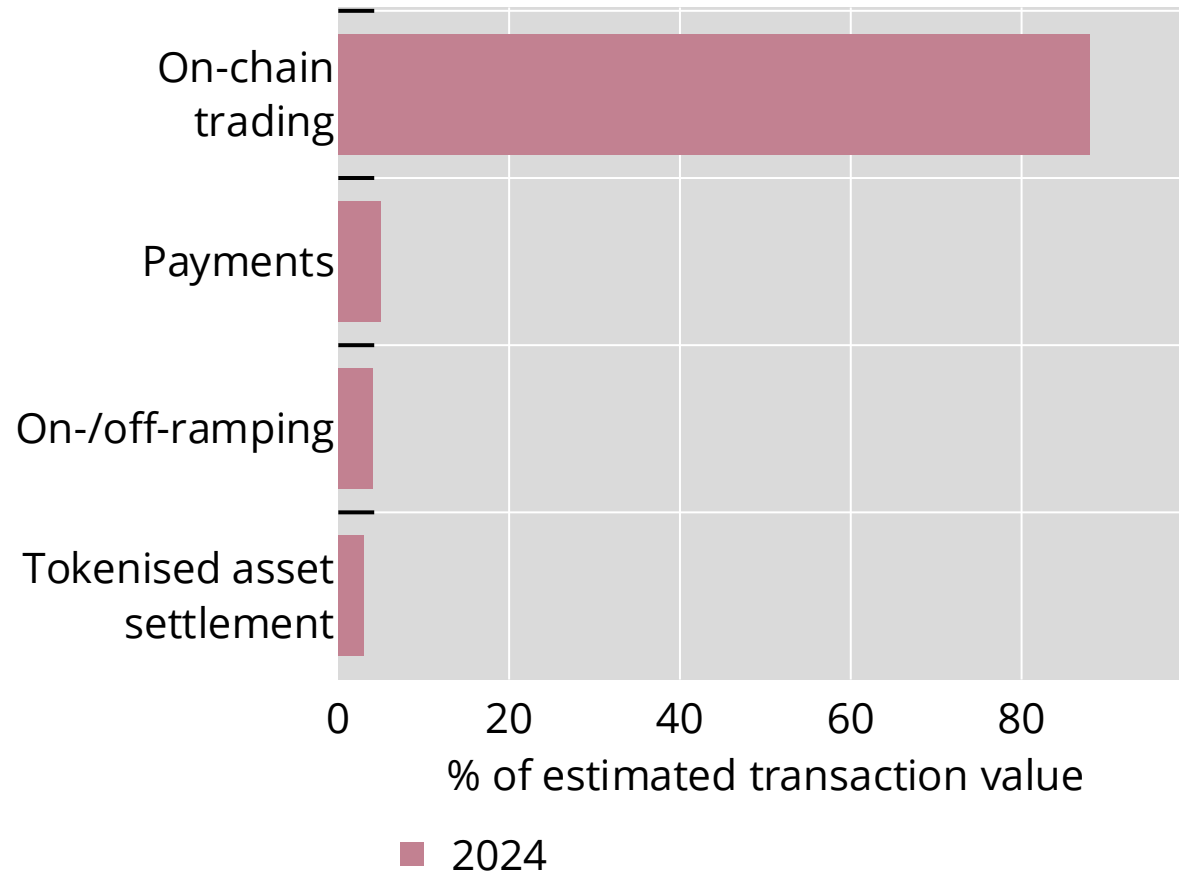
## Digital innovation

Promises faster, cheaper and safer payments and settlement



Stablecoins:  
use cases, shortcomings and design choices

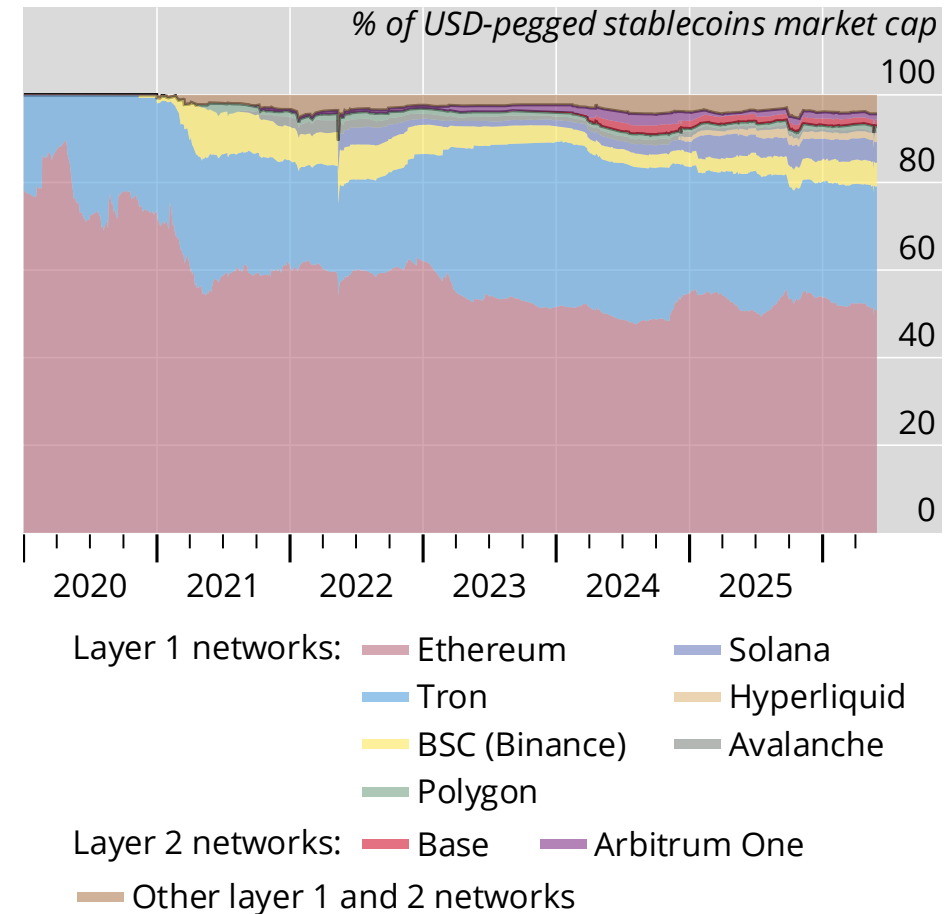
## Stablecoins today: used mainly inside crypto ecosystem



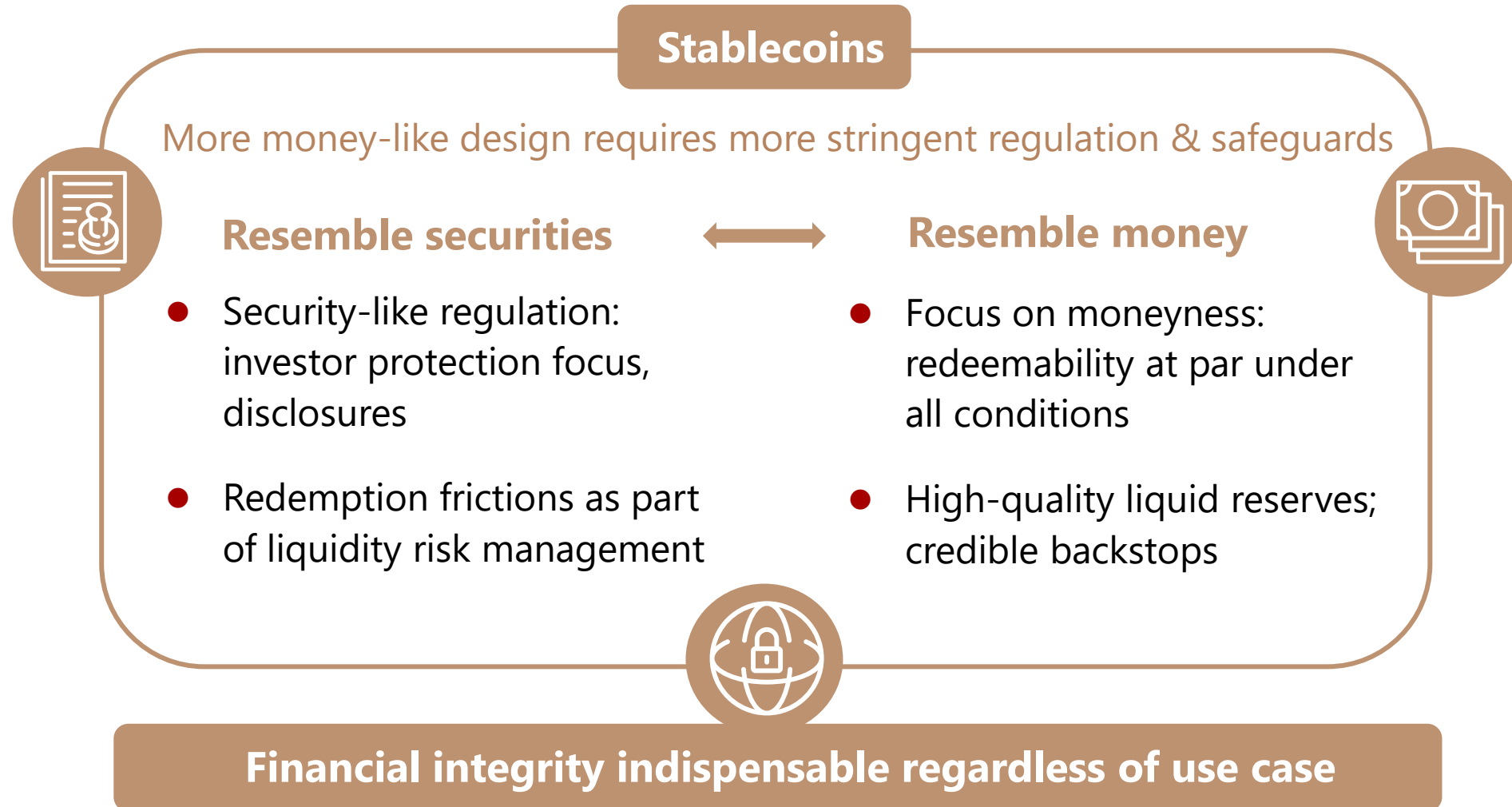
- Primary role for on-chain trading
- Secondary role as store of value for users seeking US dollar exposure
- Backed by US dollar instruments
- Limited scale: \$320 billion market capitalisation

## Stablecoins: several shortcomings

- Public permissionless blockchains hinder prevention of illicit finance
- Secondary market prices deviate from par, with pervasive redemption frictions
- Congestion and rising fragmentation of blockchains splinter network effects



# Stablecoins: design choices



## Macro-financial implications of stablecoins

## Stablecoin reserve composition matters for...



**Bank funding**

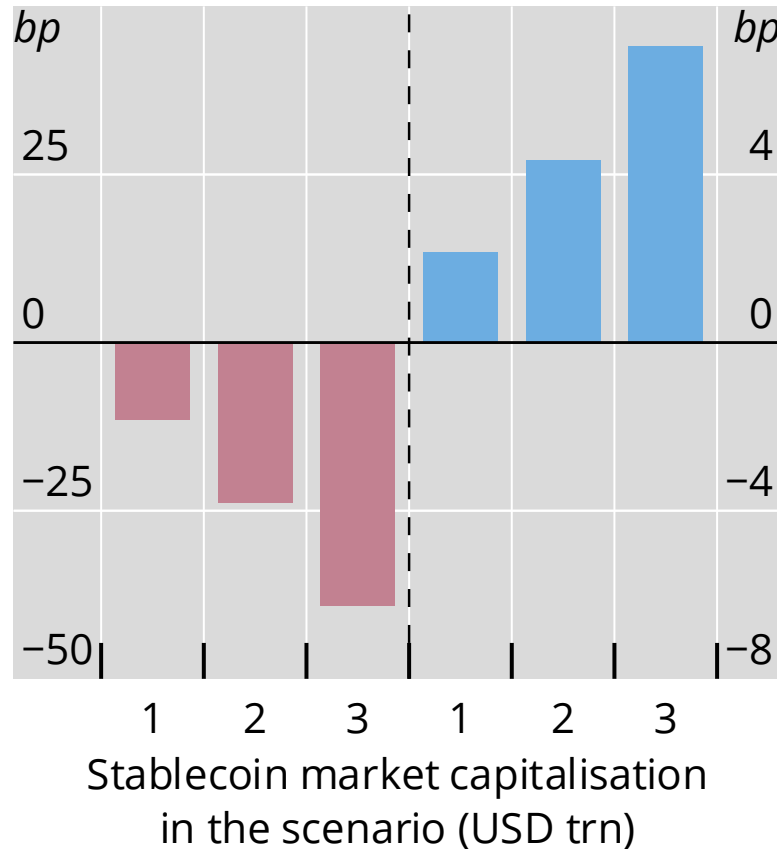


**Credit provision**

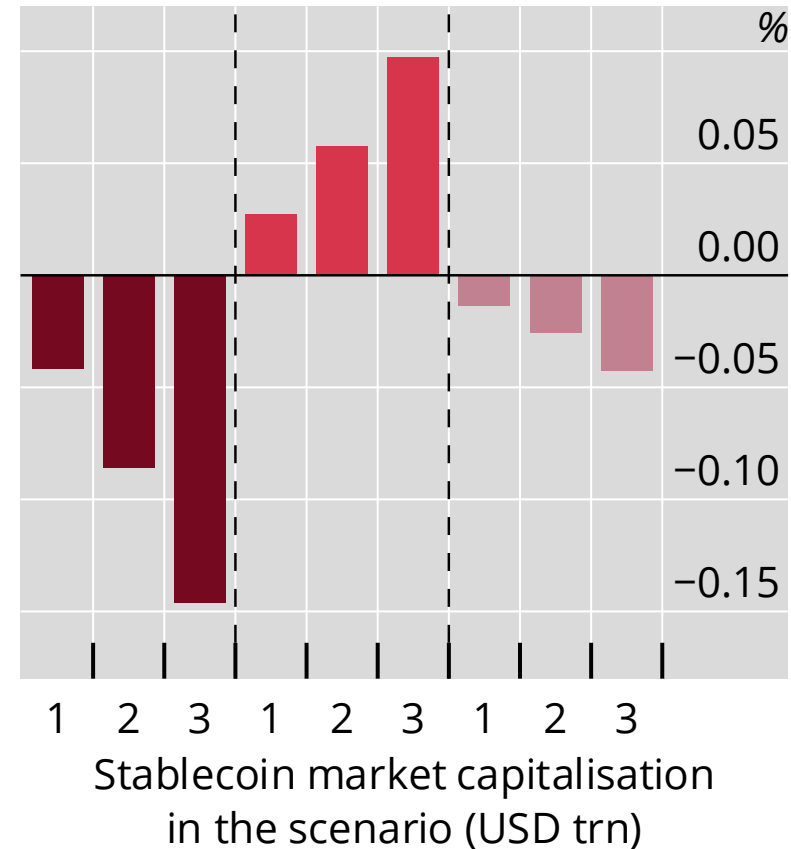


**Financial stability**

# Sizeable stablecoin adoption could usher in reallocations across financial sectors, but with modest output effects

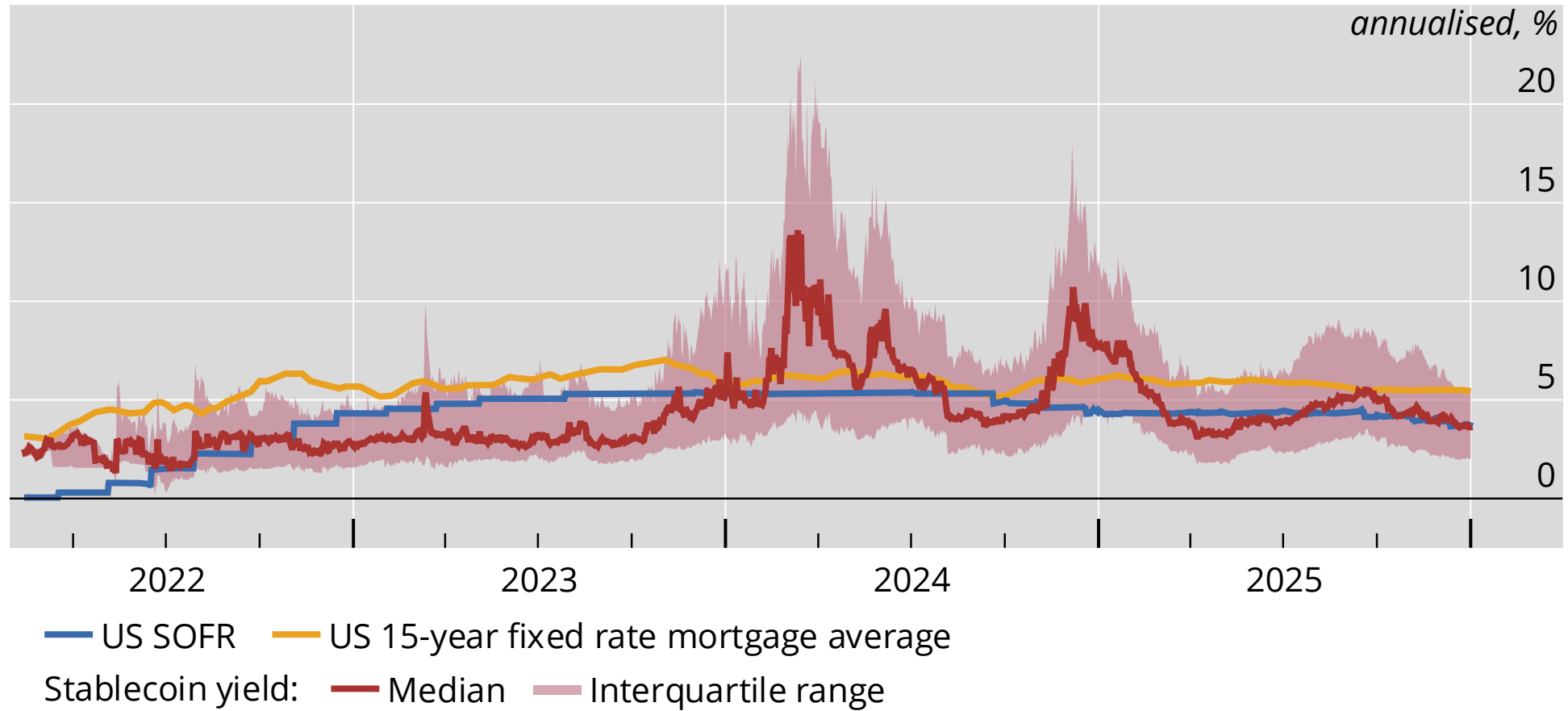


Change in:  
 ■ T-bill yield (lhs)  
 ■ Deposit spread (rhs)

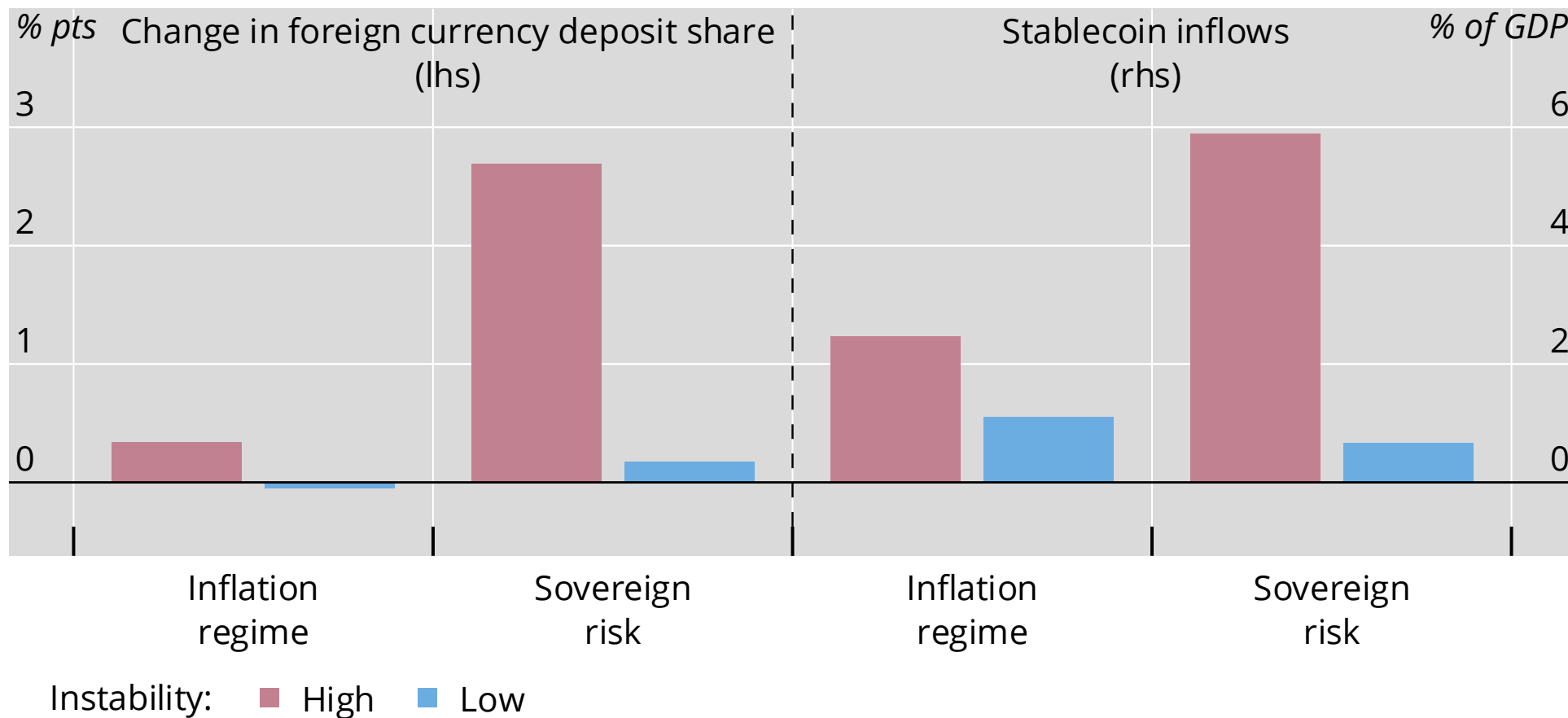


Output response:  
 ■ Bank lending  
 ■ Fiscal space  
 ■ Net effect

# Monetary policy transmission may see changes and challenges

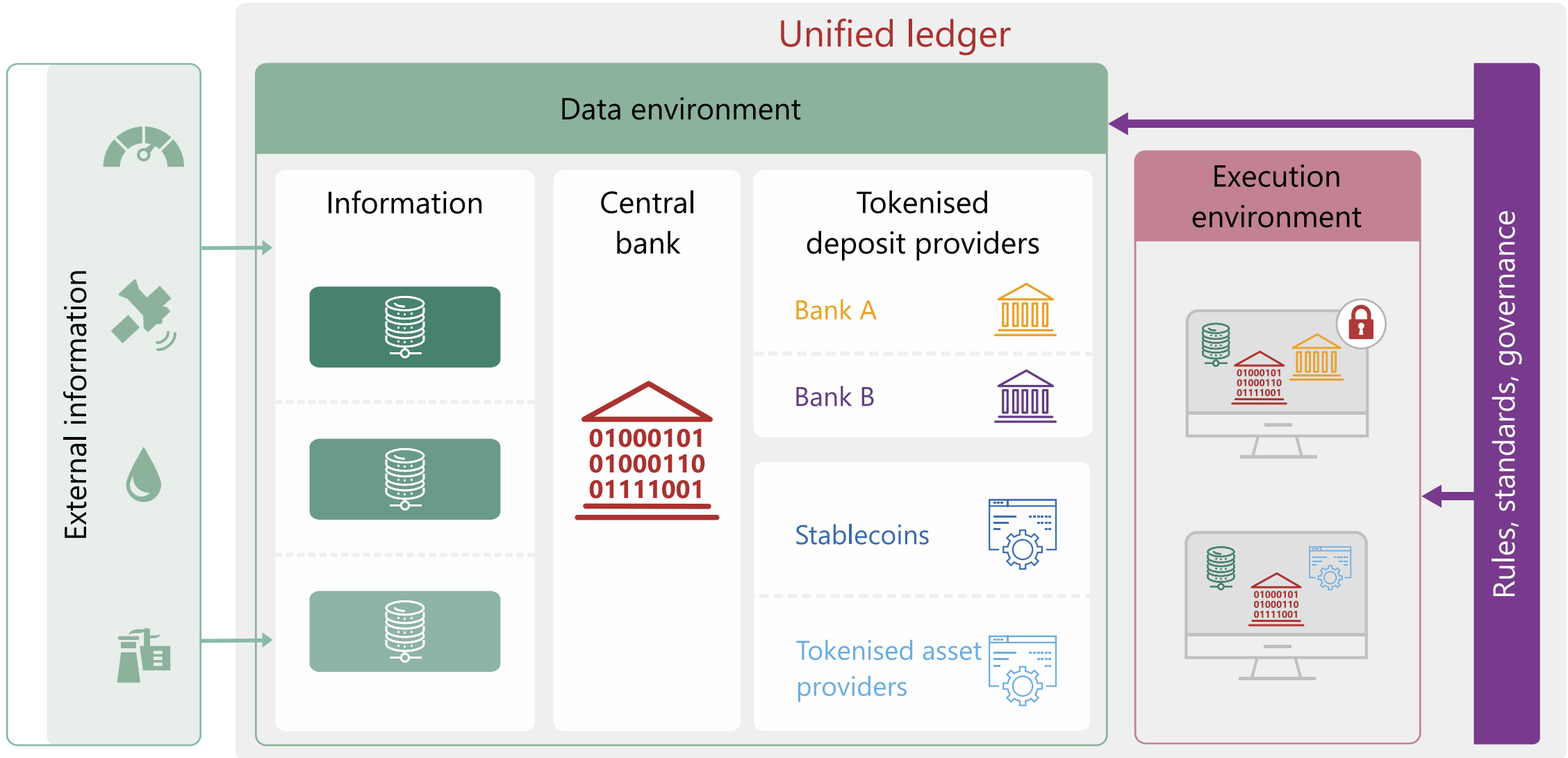


## Weak fundamentals lead to greater dollarisation and foreign stablecoin adoption



Moving towards the next-generation monetary system:  
a two-track policy agenda

# Unified ledger: organising principle for digital money



Conclusion:  
innovation guided by trust

