

CRYPENECY

Educational Research Booklet

Fiat–Crypto Convergence Guide

CBDCs, stablecoins, bank deposit tokens, payment networks, remittances, and how forms of money compare.

As of 2026-10-08 (PT) · [crypency.com/resources](#)

Educational disclaimer: This booklet is for general information only. It is **not investment advice** and **not legal advice**. Named projects and firms are illustrative for mapping—not endorsements, partnerships, or regulatory approvals. Market figures move; verify live sources before decisions. Always consult qualified counsel and primary regulators for compliance matters.

Refresh rule: Figures may move. Crypency refreshes as-of stamps from research pack sources (*08-data-sources.md*) before email fulfillment. Self-serve PDF downloads are point-in-time snapshots; request a refreshed pack via [crypency.com/resources](#) for current VERIFY-LIVE numbers.

Figure sourcing: Figures re-sourced 2026-10-08 (PT) from issuer, fund, and regulator publications. Every figure carries its own as-of date; VERIFY-LIVE items keep their original dates. Issuer figures are never summed into a market total.

Pack sources: 03-fiat-crypto-convergence.md · 04-digital-vs-fiat.md · primary-issuer-figures.md

1. Why convergence is the product story

Hard currencies (central-bank money, commercial-bank deposits, cash) and crypto (bearer digital assets, programmable tokens) meet in five practical layers:

- **Public money innovation** — CBDCs (retail/wholesale)
- **Private digital dollars/euros** — payment stablecoins
- **Bank liabilities on-chain** — deposit tokens / tokenized deposits
- **Network overlays** — Visa, Mastercard, Swift experiments, multi-CBDC bridges
- **User behavior** — remittances and “stealth dollarization” via USDT/USDC

Crypency presents these as complementary and competing rails—not a single replacement narrative.

2. CBDCs — major-country status (research snapshot)

Jurisdiction	Stage (mid/late 2026 research)	Notes
Euro area — Digital euro	Post-preparation; issuance only after legislation	If regulation adopted in 2026, issuance possible during 2029 (ECB). Merchant pilot call opened 2026-09-15.
China — e-CNY	Largest advanced retail pilot	Verify PBOC before quoting wallet counts
India — Digital Rupee	Retail + wholesale pilot	RBI program
UK — Digital pound	Design / research	No issuance decision
United States	Retail CBDC effectively halted under executive policy	FedNow is RTP for banks—not a CBDC

Jurisdiction	Stage (mid/late 2026 research)	Notes
Bahamas / Jamaica / Nigeria	Among formal launches (small/medium economies)	Adoption varies
Wholesale (mBridge, Pontes, etc.)	Experiment → MVP / partner-owned	Cross-border wholesale focus

Digital euro — primary facts

- Preparation phase Nov 2023 – Oct 2025; Governing Council continued preparations Oct 2025.
- Issuance decision later, after EU legislation; ECB: if lawmakers adopt regulation in 2026, digital euro could be issued during 2029.
- 2026-09-15 ECB: call for e-/m-commerce merchants to join digital euro pilot (beta, no legal tender); applications due 2026-10-27; 12-month pilot expected H2 2027.
- Wholesale: Pontes (DLT settlement in central bank money); Appia for digital-asset market integration.

Project mBridge (wholesale multi-CBDC)

BIS Innovation Hub collaboration (Thailand, UAE, PBOC DCI, HKMA; Saudi Arabia joined 2024). MVP mid-2024; BIS handed project to partners Oct 2024. 2026 press: Saudi Arabia completed PoC (May 2025) then exited; remaining core participants reported as China, HK, Thailand, UAE—geopolitical sensitivity; verify official statements before strong claims.

3. Stablecoins as convergence rails

Stablecoin (issuer)	Figure (issuer's label)	As of · source
USDT (Tether)	\$184.16B net circulation	2026-10-08, 5:56 PM PT (2026-10-09 00:56 UTC) · https://tether.to/en/transparency/
USDC (Circle)	\$74.1B in circulation (total reserves \$74.3B)	2026-10-05 · https://www.circle.com/transparency
EURC (Circle)	€422.4M in circulation	2026-10-05 · https://www.circle.com/eurc
USDG (Paxos)	3,340,650,602 redeemable tokens outstanding (Paxos Digital Singapore Pte. Ltd.; KPMG-examined report)	2026-08-31, 5:00 PM ET · https://www.paxos.com/usdg-transparency
PYUSD (Paxos, for PayPal)	2,886,948,845 redeemable tokens outstanding (KPMG-examined report)	2026-08-31 · https://www.paxos.com/pyusd-transparency

Each figure is the issuer's own published number, with the issuer's label and the as-of date on its page (retrieved 2026-10-08 PT). Dates and measures differ, so rows must not be added together or read as a market total. They are issuer statements, not independent verification.

Official third-party estimate: The Federal Reserve's May 2026 Financial Stability Report put the stablecoin level at about **\$320 billion**, "concentrated among the two largest issuers"; the BIS Annual Economic Report 2026 cites around \$320 billion as of end-May 2026. Based on third-party market data cited in the reports; scope and date differ from the issuer figures above, so do not combine them. (federalreserve.gov/publications/2026-may-financial-stability-report-funding-risks.htm · bis.org/publ/arpdf/ar2026e3.htm)

- **USDT:** Broad circulation, Tron/Eth P2P, emerging-market dollar substitute.
- **USDC:** Compliance-oriented; DeFi + institutional preferred rail; MiCA-authorized narrative in EU secondary coverage.
- **Regulation:** EU MiCA EMT/ART from mid-2024; CASP transitional end 1 Jul 2026. U.S. GENIUS Act enacted 18 Jul 2025—federal payment-stablecoin framework; implementing rules still being written through 2026.

4. Banks, deposit tokens & payment networks

JPMorgan Kinexys (formerly Onyx): blockchain deposit accounts for institutional 24/7 payments; JPMD USD deposit token experiments; tokenized money-market fund infrastructure. Teach the legal difference: deposit tokens are **bank liabilities**; payment stablecoins are **issuer liabilities** under stablecoin statutes.

Visa (primary PRs 2026-09-08 and 2026-04-29)

- **Current (Visa PR 2026-09-08):** stablecoin settlement volume surpassed a **\$20B annualized** run-rate, up more than 15x year over year; 160+ stablecoin-linked card programs.
- **Dated milestone (Visa PR 2026-04-29):** five blockchains added (Arc, Base, Canton, Polygon, Tempo) → nine total with Avalanche, Ethereum, Solana, Stellar; \$7B annualized run-rate at that date (+50% QoQ); 130+ stablecoin-linked card programs.
- USDC settlement expansion themes; Visa Direct payout narratives via partners.

Dated milestones

Use \$20B (Visa, 2026-09-08) as the current run-rate. The \$7B figure is the 2026-04-29 milestone only—do not present it as current.

Mastercard: secondary briefings describe regulated stablecoin settlement and always-on themes—cite Mastercard's own newsroom when publishing.

5. Forms of money — comparison framework

Qualitative scores are pedagogical, not rankings. Designs vary by country and product.

Property	Cash	Bank deposit	Payment stablecoin	Native crypto
Issuer risk	Central bank	Bank (+ insurance limits)	Issuer + reserves	None (protocol/market)
Price vs fiat	Par	Par	Targets par; depeg risk	Volatile
Programmability	None	Limited (APIs)	High (smart contracts)	High
Cross-border	Poor	Correspondent banking	Strong where liquidity	Global native
Lender of last resort	Yes (system)	Yes (banking system)	Generally no	No

Teaching point

"Final on-chain" ≠ "final in commercial law." Ledger transfer of a stablecoin does not guarantee redeemability if the issuer fails or freezes. Keep both layers visible.

6. Remittances & dollarization (framing)

- Stablecoin as FX middle leg: local fiat → USDT/USDC → recipient local fiat.
- Publish World Bank Remittance Prices Online for corridor fees—not anecdotes.
- On-chain volume ≠ remittance volume. Label Chainalysis figures as crypto adoption / transfer activity.
- Present dollarization via stables as empirical payment behavior—not advocacy. Pair with CBDC and remittance pages.

Source pointers

Prefer primary/official sources. Secondary press is for leads. Full methodology: crypency.com/sources and research pack *08-data-sources.md*.

- **ECB digital euro progress** — https://www.ecb.europa.eu/euro/digital_euro/progress/html/index.en.html
- **CRS CBDC IF11471** — everycrsreport.com (2026-07-15)
- **BIS Project mBridge** — https://www.bis.org/about/bisih/topics/cbdc/mcbdc_bridge.htm
- **Visa PR — \$20B settlement run-rate (2026-09-08)** — <https://usa.visa.com/about-visa/newsroom/press-releases/releaseld.22721.html>
- **Visa PR — expands stablecoin settlement (2026-04-29)** — corporate.visa.com (2026-04-29)
- **Federal Reserve FSR, May 2026** — <https://www.federalreserve.gov/publications/2026-may-financial-stability-report-funding-risks.htm>
- **BIS Annual Economic Report 2026, Ch. III** — <https://www.bis.org/publ/arpdf/ar2026e3.htm>

- **Issuer transparency** — **Tether, Circle, Paxos** — <https://tether.to/en/transparency/> · <https://www.circle.com/transparency> · paxos.com/usdg-transparency · paxos.com/pyusd-transparency
- **JPMorgan Kinexys** — jpmorgan.com/payments (deposit tokens)
- **Crypency convergence & compare** — crypency.com/convergence · [/compare](https://crypency.com/compare)