



# Multi-jurisdictional stablecoins

Risks and recommendations



## **What is a multi-jurisdictional stablecoin?**

It is a stablecoin issued from multiple jurisdictions by the same entity or by affiliate entities. Tokens can be redeemed in different jurisdictions, raising some particular issues.



## Risks of multi-jurisdictional stablecoins

- Liquidity risks
- Operational complexity
- Regulatory challenges



## **Liquidity and reserve management challenges**

Co-issuers may be liable for all tokens but hold only partial reserves. Reserve rebalancing across jurisdictions can be complex due to regulatory differences.



## **Regulatory arbitrage risks**

Issuers may exploit jurisdictions with lenient regulations. Unequal redemption obligations can lead to financial instability.



## **The importance of cross-border cooperation**

Strong international collaboration is key to mitigating risks. Aligning regulatory frameworks can ensure stability.



## Next steps

- Implement FSB recommendations across jurisdictions
- Continue vulnerability assessment
- Align redemption rights, reserve requirements, and governance frameworks
- Foster transparency and data sharing
- Strengthen international supervisory cooperation