

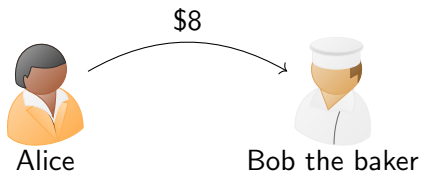
Where will stablecoins have a big impact?

Darrell Duffie

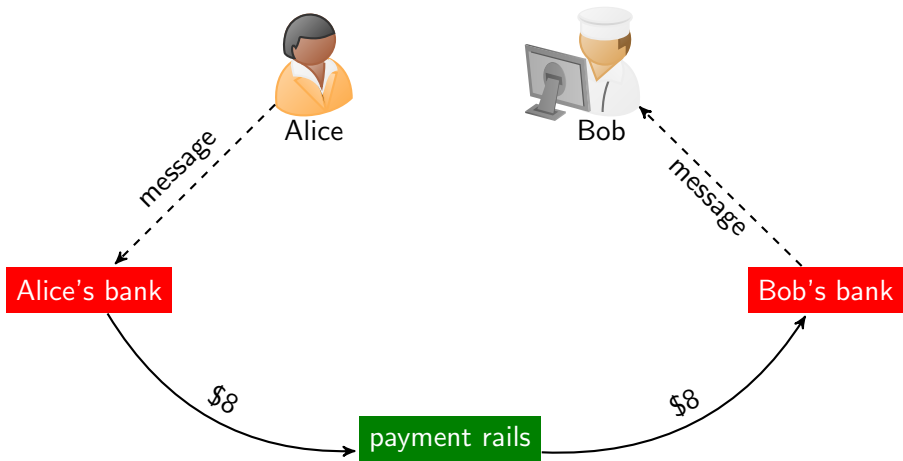
Graduate School of Business, Stanford University

UC Berkeley CS194/294-177 DeFi course
October, 2025

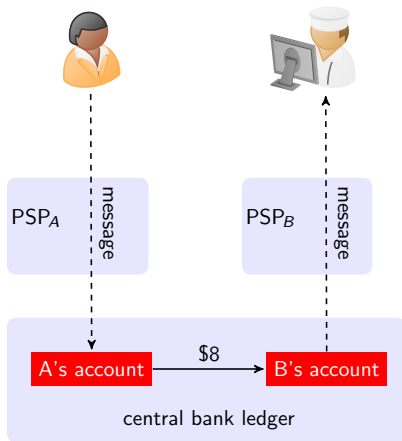
A cash payment



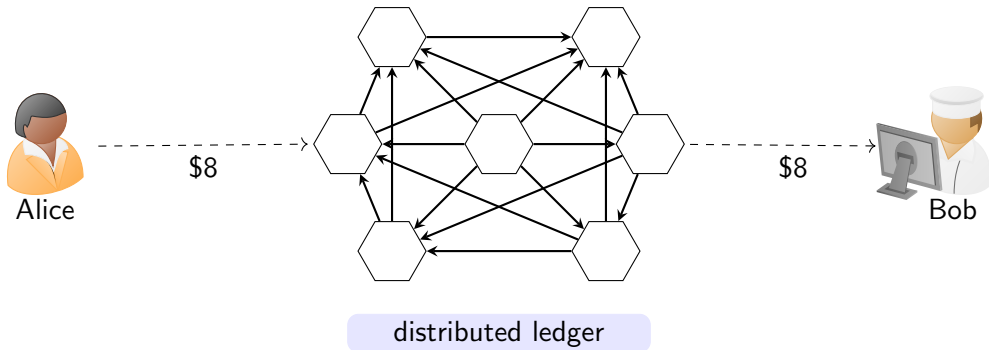
A bank-railed payment



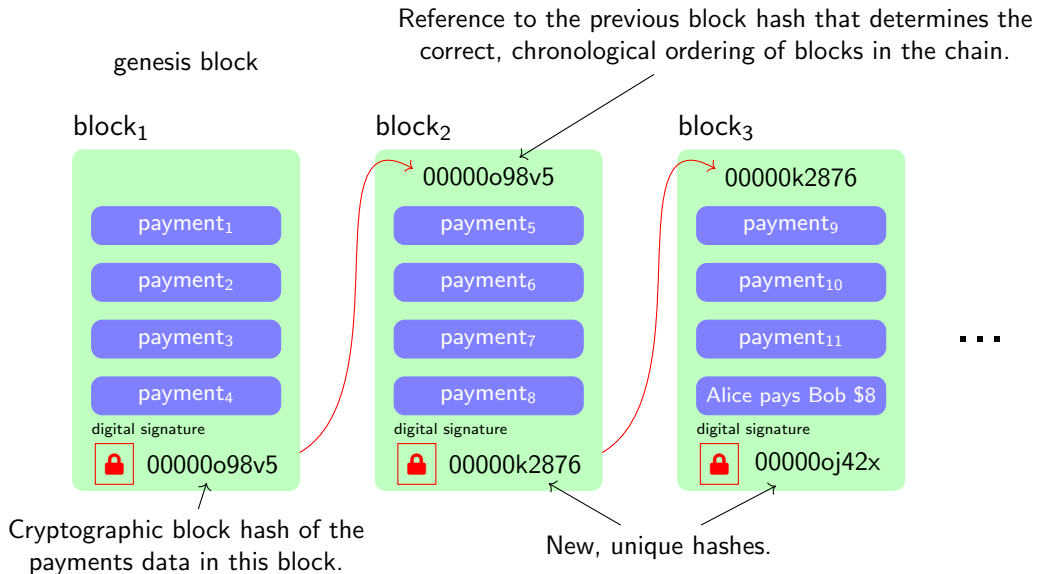
A CBDC payment



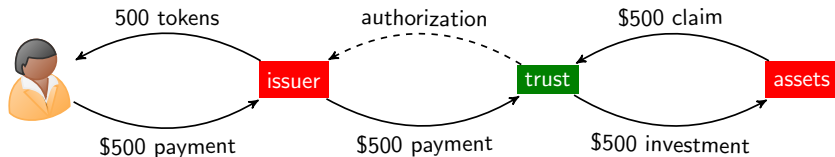
A stablecoin payment



A Blockchain Record of Payments



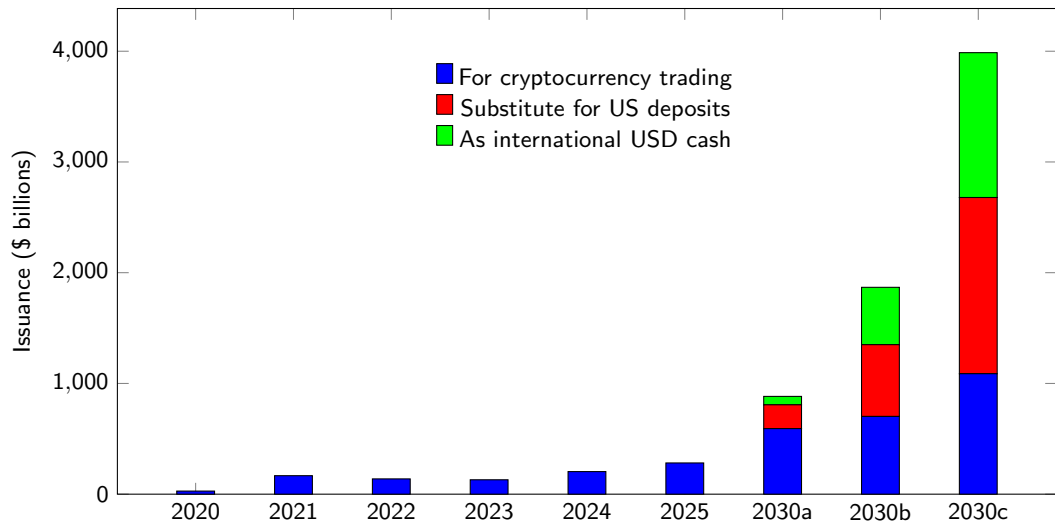
Alice buys some stablecoins



President's Working Group Report on Stablecoins, November, 2021:

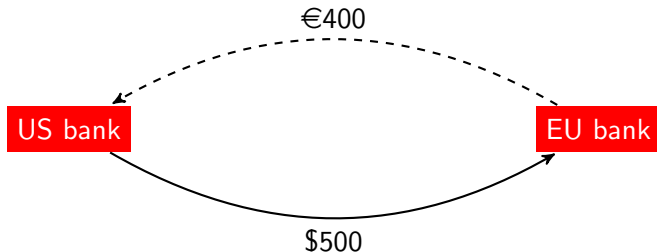
"... legislation should limit stablecoin issuance, and related activities of redemption and maintenance of reserve assets, to entities that are insured depository institutions. The legislation would prohibit other entities from issuing payment stablecoins. Legislation should also ensure that supervisors have authority to implement standards to promote interoperability among stablecoins."

Citi's forecasts of the stablecoin market



Data: Citi, September, 2025

Smart-contract settlement of a tokenized FX trade



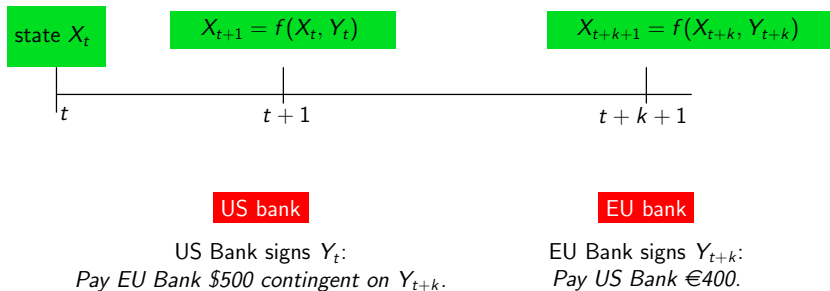
Avoiding settlement risk, each payment is cryptographically assigned contingent on the other.

Examples:

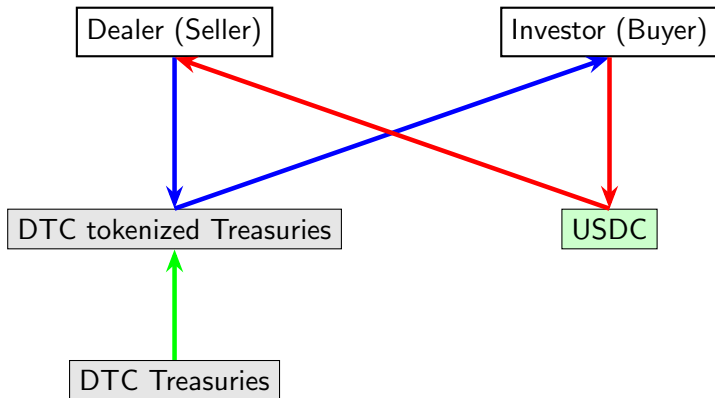
[Project Jura](#) (Swiss National Bank and Banque de France).

[Project Cedar](#) (New York Fed and Monetary Authority of Singapore).

Smart-contract ledger transfers that settle an FX trade



Atomic settlement of a US Treasuries purchase or repo leg



Executed on [Canton](#), August, 2025.

How will stablecoins be used in the next decade

1. Supporting the cryptocurrency investment market.
2. A relatively small amount of illegal payments.
3. For payments to and from emerging-market economies.
4. Within emerging-market economies with weak banking systems, as a substitute for paper money and bank deposits.
5. For settlement of large financial transactions.