

The BIS on stablecoins: three tests

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The Annual Economic Report of June 2025 sharpened the BIS's position on stablecoins. Its chapter on the next-generation monetary and financial system argued that a sound monetary system must pass three tests: singleness, elasticity and integrity. Singleness means that money issued by different institutions is accepted at par without question, so that a franc held at one bank is worth the same as a franc held at another. Elasticity means that the system can provide liquidity when the economy needs it, which in today's system the central bank ensures through its role as lender of last resort and through the creation of reserves. Integrity means that the system prevents financial crime and protects the integrity of transactions.¹

The report concluded that stablecoins perform poorly on all three tests. They are often traded at prices that differ from their nominal value, which compromises singleness. Being fully backed by reserves, they cannot expand their balance sheet in response to demand for credit, which limits their elasticity. Their circulation on public blockchains and in self-hosted wallets makes it difficult to apply identification requirements, which weakens integrity. The BIS proposed instead a tokenised unified ledger with central bank reserves, commercial bank money and government bonds as its foundation. The position was taken shortly before the adoption of the GENIUS Act in the United States and stands in tension with American policy. The debate between these positions will continue during the decade covered by this chapter.²

1 Notes

1. BIS, Annual Economic Report 2025, chapter III, "The next-generation monetary and financial system", June 2025. To be verified. ↩

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2. BIS, Annual Economic Report 2025, chapter III; statements of BIS management on stablecoins (2025); on the leadership of the BIS since July 2025 under General Manager Pablo Hernández de Cos, see BIS press releases. Status to be verified. ↩

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