

Tether's position after 2022

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Since the launch of Plan B, the regulatory environment for stablecoins has changed in all major jurisdictions. In the European Union the MiCA Regulation (EU) 2023/1114 has applied to e-money tokens and asset-referenced tokens since 30 June 2024. Tether has not obtained an authorization under MiCA for USDT, and regulated service providers in the Union have therefore restricted the offer of USDT to customers in the European Economic Area.¹ For Lugano, whose clients and merchants have close ties to Italy, this means that USDT circulates in Switzerland in a regulatory environment that differs from that of its main neighbour. In the United States the GENIUS Act of July 2025 created a federal framework for payment stablecoins, to which Tether has responded with a separate token for the United States market.² In Switzerland, FINMA's guidance 06/2024 on stablecoins addresses default guarantees and the antimoney laundering duties of issuers and banks, as described in Chapter I.II.³

Tether has also changed its corporate geography. In January 2025 it completed the relocation of its global headquarters to El Salvador.⁴ The company has expanded into fields far beyond stablecoins, including energy, data infrastructure, artificial intelligence and education, as its own description in the Plan B materials states.⁵ It has invested in Italian football and other businesses, which has made it a familiar name in Lugano's Italian hinterland as well.⁶ Its cooperation with law enforcement, in particular the freezing of USDT at addresses linked to sanctioned persons or criminal activity, has become a central element of its public defence against the charge that USDT facilitates illicit finance.⁷

1 What the partnership means for the city's reputation

The criticism of the partnership in Lugano has focused on three points. The first concerns the partner's record. A municipality associates its name with a private company whose past statements on its reserves were found

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to be false by two United States authorities and whose token has repeatedly been frozen at addresses linked to sanctions and illicit finance, as Tether itself reports. The Socialist group in the city council raised this point in its inquiry of 2023. In its answer the Municipio itself acknowledged the "extremely critical" positions of experts and the risks of money laundering and terrorist financing.⁸ The FATF has identified stablecoins as a vector of money laundering risk, a point already raised in the Swiss press at the launch of Plan B.⁹

The second point concerns dependence. Plan B has been financed largely by Tether, from the forum to Phase II. The programme has thus become a public brand of the city that depends on the continued engagement of one company. The memorandum of 2026 addresses part of this risk by excluding exclusivity, by retaining the city's control over the Lugano Living Lab and by making the city's financial obligations dependent on separate agreements.¹⁰ It cannot remove the reputational link. If Tether were to suffer a crisis of confidence, a regulatory sanction or an insolvency, the city's name would be associated with it in the international press in the same way in which it was associated with the launch.

The third point concerns the environmental and economic objections to bitcoin itself. The cantonal minority report of 2021 cited an estimate according to which the markets for Kryptowerte und Digital Assets consumed about 1 per cent of global electricity production, while the majority report relied on studies of 2019 according to which more than 74 per cent of bitcoin mining used renewable energy.¹¹ Both figures were contested at the time and remain so. The mining project discussed in Lugano in March 2022 crystallized this debate and does not reappear in later descriptions of the programme.¹² Volatility is the economic counterpart. The city has insulated its treasury from it, but residents and merchants who keep bitcoin received under the programme bear it in full, as the decline of the bitcoin price in the second quarter of 2026 showed once again.¹³

For the practitioner. Banks, asset managers and fiduciaries in Lugano who deal with companies of the Plan B ecosystem should treat the city's endorsement as what it is, a declaration of political support without legal effect: - Apply ordinary due diligence to companies that cite Plan B in their documentation, including licence status, beneficial ownership and source of funds. - For clients holding or receiving USDT, assess issuer risk (reserves, attestations, regulatory status in the EU, Switzerland and the United States) and the risk of freezes. - For Italian-resident clients, consider that USDT is not authorized under MiCA and that Italian reporting

obligations for Kryptowerte und Digital Assets apply (see Chapter G.IV). - Document the conversion chain for any payment received in bitcoin or USDT, including the intermediary and the exchange rate applied.

2 Notes

1. Regulation (EU) 2023/1114 of 31 May 2023 (MiCA), Titles III and IV applicable from 30 June 2024; ESMA statement of 17 January 2025 on non-MiCA-compliant ARTs and EMTs. ↩
2. Wikipedia (used as a last resort), "Tether (cryptocurrency)" (above) (GENIUS Act signed in July 2025; launch of the US-based stablecoin USAT in September 2025). ↩
3. FINMA Guidance 06/2024, Stablecoins: risks and requirements for stablecoin issuers and guarantee banks, 26 July 2024; see Chapter I.II. ↩
4. Wikipedia (used as a last resort), "Tether (cryptocurrency)" (above) ("In January 2025, the company and its founders completed the relocation of Tether's global headquarters to El Salvador"). ↩
5. Plan B Foundation, "Chi siamo" (above) (investments in energy, data, education and artificial intelligence). ↩
6. Wikipedia (used as a last resort), "Tether (cryptocurrency)" (above) (minority stake in Juventus F.C. acquired in February 2025). ↩
7. Tether, news release of 28 September 2026 (above). ↩
8. laRegione, "Spiegato il protocollo d'intesa" (above). ↩
9. Allen, "Death, taxes and crypto" (above) (FATF concerns about stablecoins). ↩
10. Memorandum of Understanding ... Phase II (above). ↩
11. Rapporto di minoranza and Rapporto di maggioranza (both above). ↩
12. Illaretti, "Una miniera da 20 milioni (di polemiche)" (above). ↩
13. Stablecoin Insider, report on the attestation for the second quarter of 2026 (above). ↩

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