



Stablecoins and the Future of Business Payments

A practical primer on what stablecoins are, why they are gaining traction, and how they may improve liquidity outcomes for businesses using early-pay programs



What a stablecoin is – and what it is not

A stablecoin is a digital representation of a traditional currency, most commonly the U.S. dollar, that moves on blockchain infrastructure rather than through traditional payment rails like ACH, wire transfer, checks, card infrastructure, etc. The simplest way to understand it is as a digital dollar designed for movement: one token/stable coin is intended to equal one dollar, the stablecoin can be transferred over a blockchain network, and the holder can typically redeem it with the issuer or its authorized partners for dollars at par. In a properly structured model, the issuer holds reserve assets behind the stablecoin, usually cash, Treasury bills, or closely related dollar assets, so a stablecoin is not intended to be a speculative bet on price appreciation but a digital form of cash-like value.^{[1][2]}

That distinction matters because stablecoins are often discussed alongside cryptocurrencies such as Bitcoin or Ether, even though they serve a different function. Bitcoin is generally purchased because its price may rise or because the asset has other investment or network uses; a stablecoin is used because it is expected not to move in value. The user is not seeking upside. The user is seeking reliability, transferability, and near-immediate settlement. In that sense, the better analogy is not “digital gold,” but “a digital dollar that can travel on a faster and more programmable rail.”^{[1][3]}

A useful mental model is to compare a bank deposit with a stablecoin. A bank deposit is already digital money, but it exists inside the ledger of a bank or a chain of banks. A stablecoin is digital money that can move on a shared blockchain ledger without requiring each bank in the chain to update its own record before the recipient can treat the transfer as final. This means that a large part of the operational delay in existing payment systems that comes from moving value across separate ledgers can be eliminated by using stablecoin which is specifically designed to move on a common record of ownership. That is the core reason the technology is receiving attention from payment firms, banks, corporate treasury teams, and policymakers.^{[1][4]}



Why the market is receiving serious attention now

The current interest in stablecoins is not based on a narrow crypto trend. It is based on measurable growth and increasing institutional attention. Many industry reports, including Citi's "Stablecoins 2030" report, show aggregate stablecoin supply growing from roughly \$28 billion in 2020 to roughly \$282 billion in 2025, a tenfold increase in five years, and it revised its 2030 forecast upward to a base case of approximately \$1.9 trillion and a bull case of approximately \$4.0 trillion.^[2] McKinsey, in a separate 2025 paper on tokenized cash, described 2025 as a potential inflection point for stablecoins and tokenized cash because regulation, enterprise experimentation, and infrastructure quality were all improving at the same time.^[5] That combination matters more than market enthusiasm alone. It suggests the subject has moved from "interesting" to "strategically relevant."

Just as important, the volume data indicate that stablecoins are no longer a rounding error in money movement. Citi notes that adjusted stablecoin transfer volumes were running close to \$1 trillion per month in August 2025, nearly double the levels of a year earlier.^[2] McKinsey has likewise argued that raw stablecoin transaction numbers need to be interpreted carefully because some activity is internal to digital-asset markets, but it still treats stablecoins as a meaningful emerging payment rail rather than an experimental side channel.^{[5][6]} In other words, the question is no longer whether stablecoins exist at scale. The more practical question is which use cases will absorb that scale over time and how quickly the rails will become integrated into mainstream commerce.

It is also important to explain where stablecoins first found product-market fit. Stablecoins initially became large not because mainstream corporates were already paying suppliers with them, but because digital-asset markets needed a fast, dollar-linked instrument for trading, collateral movement, treasury movement, and settlement. That early growth proved that a dollar-pegged token could hold scale, liquidity, and operational usefulness on blockchain rails. Once that utility was established, the use case began expanding outward into payments, treasury operations, and cross-border flows.^{[2][5][7]} This history is actually helpful for a corporate reader: it explains why the rail already has meaningful liquidity even if enterprise adoption is still earlier in its development.



Why traditional payment systems still create delay even after a payment is approved

To see why stablecoins can matter for businesses, it helps to separate the commercial decision to pay from the mechanics of moving money. A business may approve an invoice today, decide to accelerate that invoice today, and still leave the recipient waiting days for actually usable funds. That gap exists because traditional payment systems are not one-step systems. They are multi-step systems, with each step designed to handle messaging, risk, reconciliation, and final availability on separate institutional ledgers.

ACH is the clearest domestic example. The ACH network processed \$93 trillion of value in 2025, while Same Day ACH, despite rapid growth, represented \$3.9 trillion of that total.^[8] That is a meaningful amount of same-day value, but it also means the overwhelming majority of ACH value still moved through standard batch-based processes rather than instant rails. ACH delays do not happen because banks are careless. They happen because ACH groups transactions into processing windows, passes files through clearing steps, manages return and reversal rules, and then leaves the receiving institution to make its own availability decisions. The money can be “on the way” before it is truly available for use.^[8]

Wire transfers solve a different problem. They offer faster final transmission than standard ACH, but they are expensive, operationally rigid, and not built for sending thousands of routine low- or mid-value business payments every day. A wire is typically treated as a one-way, high-certainty instruction. That is valuable in some cases and inefficient in others. It is why wires are useful for urgency, but not a clean substitute for routine, scaled payment operations.

Cross-border payments add another layer of friction because the money often does not move in one direct step from sender bank to recipient bank. It may pass through several correspondent institutions, each of which has its own sanctions screening, anti-money-laundering reviews, liquidity management, and local payment requirements. The Financial Stability Board continues to identify high cost, low speed, limited transparency, and constrained access as core cross-border frictions.^[9] The World Bank’s recent work on business-to-business payments makes the same point from a commercial angle: costs are not just explicit transaction fees, but also FX spreads, intermediary charges, delays, and the working-capital burden created while funds are in transit.^[10]

Domestic instant payment systems are improving this picture, but they have not erased it. The RTP network continues to grow and processes more than \$4 billion daily, while FedNow reported \$853.4 billion of settled value in 2025.^{[11][12]} Those are important signs of progress. They show that market demand for faster payment infrastructure is real. They do not, however, change the broader reality that a very large share of business value still moves through rails that were not designed for always-on settlement or global interoperability.

How stablecoin-based systems specifically compress or eliminate these stages

The phrase “near-instant settlement” can sound too abstract unless the mechanics are made explicit. In a traditional bank payment, the process usually involves at least four stages: payment approval, release into a payment run, clearing across one or more networks or banks, and final availability at the recipient institution. Stablecoin systems compress those stages because the same act that validates the transfer also updates the record of ownership. The network does not need a separate clearing institution to confirm what happened later. The ledger itself is the confirmation.

Concretely, when a stablecoin payment is sent, the transaction is broadcast to the blockchain network, validated under that network’s rules, and written to the shared ledger. Once recorded, the recipient can see the transferred balance on the same ledger that the sender used. There is no need for Bank A to send a message to Bank B, for Bank B to wait for a clearing file, and for both banks to reconcile their records afterward before the recipient is confident the funds have arrived. Validation and settlement occur together in the same chain of events.^{[1][4]}

That is why stablecoins can compress or eliminate several delays that exist in legacy systems. They eliminate batching because transactions are processed continuously rather than waiting for the next ACH window. They compress clearing because there is no separate stage in which another network has to determine finality after the payment instruction has already been sent. They reduce reconciliation because the transfer is reflected on a common ledger rather than across multiple separate ledgers that must later be brought into agreement. And they reduce the classic “good funds but not yet usable funds” problem because the recipient’s control of the token follows directly from the ledger update rather than from a later bank-availability decision tied to interbank settlement. That does not mean every stablecoin payment is frictionless in every workflow. Off-ramps, wallet controls, policy checks, and internal treasury procedures still matter. But the underlying rail removes several structural pauses that traditional systems cannot avoid.

An analogy may help. Traditional payments often operate like several accounting departments updating their own spreadsheets and then confirming at intervals that all copies match. Stablecoin payments operate more like all parties updating one shared spreadsheet at the moment of transfer. The point is not that a blockchain is literally a spreadsheet. The point is that shared records reduce the need for after-the-fact reconciliation, and that reduction in reconciliation is one of the main sources of speed.

Why this matters for businesses broadly – and for C2FO specifically

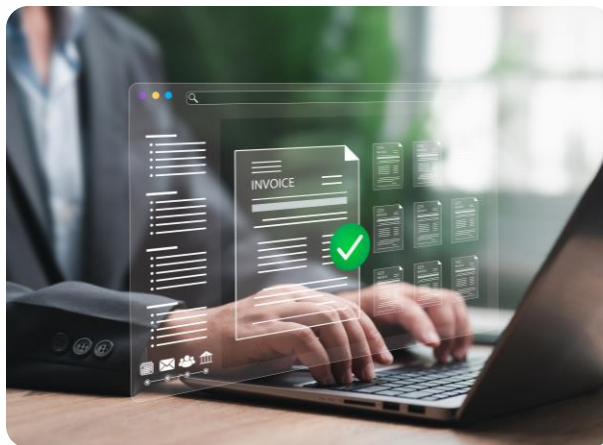
At a business level, the practical issue is not simply “payment speed.” It is the time between an event that should create liquidity and the moment the cash is actually usable. That distinction is especially important in an early-pay context. A supplier may accelerate an approved receivable today and still not be able to use the money for multiple days because the buyer’s run schedule, the ACH process, and the receiving bank’s availability policy each introduce time between the commercial event and actual liquidity. Stablecoins matter because they attack precisely that gap.

This is why a generic business framing is more accurate than a supplier-only framing, even though supplier use cases remain highly relevant. Any business that sends or receives payments cares about the conversion of approved commercial activity into usable cash. The issue could be a supplier receiving accelerated payment, a marketplace paying merchants, a corporation moving treasury balances among entities, or a business collecting funds from customers. The core question is the same: once the payment decision has been made, how quickly and predictably does spendable value become available? Stablecoins are relevant because they improve that conversion step.^{[4][5]}

For C2FO, the tension is easy to describe. First, a notice of acceleration does not itself put cash into the supplier’s account; the funds still depend on release through the payer’s chosen rail. Second, receipt of funds does not necessarily mean immediate availability because the receiving bank may still restrict use pending final settlement conventions. Third, these frictions are magnified when the payment is cross-border because each additional handoff creates another opportunity for delay, cost, and uncertainty. Funding in the C2FO marketplace averages \$400 million per day and can range up to more than \$1 billion per day. Yet the recipients of those funds usually wait 3-4 days to receive that money. Just using the low average of \$400 million per day and a 3-day processing delay means that more than \$1.2 billion in funding is delayed by the current financial system. We would like to fix that. Stablecoins create a new infrastructure for C2FO Early Pay by making the path from approved receivable to usable cash more immediate and more predictable.

A simple domestic working-capital example

Consider a domestic U.S. supplier regularly accelerating \$3,000,000 of approved invoices a month at 30-day terms, and a business objective of using the proceeds to fund payroll, replenish inventory, or avoid drawing on a revolving line. Under a traditional payment process, the supplier may accelerate the invoices through an early-pay program today, but the actual payment may still wait until the buyer's payment release cycle. If the buyer releases the funds through ACH, the funds will move through ACH clearing windows and may still be subject to bank availability policies at the supplier's bank. If the combined effect is a three-day delay from "approved and accelerated" to "usable cash", which C2FO data shows is the average settlement time for payments, the supplier has not truly gained 30 days of liquidity; they have only gained the portion that survives the payment mechanics.



With instant settlement capabilities introduced by adopting stablecoin infrastructure, this settlement delay is eliminated entirely. From the example above, all accelerated cash flows within the month will become available instantly, and payment run delays are eliminated entirely. This, in effect, translates to 10%, or an incremental \$300K of immediately available funds that was previously unusable because it was tied up in processing and transit. The point is not that stablecoins magically create yield. The point is that reducing time in transit reduces the amount of working capital trapped between commercial approval and practical usability. For many businesses, that trapped time is economically real even when it is operationally normalized.

Where the industry appears to be going

The direction of travel in the industry is not limited to one coin or one issuer. The broader pattern is the convergence of stablecoins, tokenized deposits, programmable money, and enterprise payment orchestration. Citi has written not only about stablecoin supply growth but also about "digital dollars" and programmable money, emphasizing that future money movement may be real-time not only in settlement but also in compliance logic, control, and reconciliation.^{[4][13]} McKinsey similarly frames tokenized cash as part of next-generation payments infrastructure rather than as a stand-alone crypto product.^[5]

Several specific innovations are worth naming because they shape the strategic trajectory. The first is programmable money: payment instructions that can release automatically when agreed conditions are satisfied, such as invoice approval, delivery confirmation, or internal policy thresholds. The second is tokenized deposits, where traditional bank money is represented on blockchain rails while remaining inside the bank-regulated deposit perimeter. The third is interoperability infrastructure, which aims to let firms move value across different blockchains, wallets, and payment systems without forcing all participants onto a single network. The fourth is enterprise-grade wallet and treasury tooling, which is making it easier for corporates to hold, control, and move tokenized cash within ordinary treasury governance models. None of these eliminates the need for regulation or internal controls. All of them push the industry toward a world in which digital cash can be moved with more speed, more precision, and more automation than traditional file-based systems allow.

Leading players, currencies, and differentiation

The current market is still dominated by a small number of issuers. Tether's USDT remains the largest stablecoin by market capitalization, at roughly \$184 billion as of March 17, 2026, and it is deeply embedded in global crypto-market liquidity.^[14] Circle's USDC is the second-largest major dollar stablecoin, at roughly \$79.5 billion, and is generally seen as more institutionally aligned because of its reserve disclosure approach, regulatory posture, and enterprise payment orientation.^[15] Ripple's RLUSD has entered the top tier with a focus on enterprise and cross-border flows, leveraging Ripple's established network of financial institutions and its dual-chain issuance on the XRP Ledger and Ethereum. PayPal's PYUSD, at roughly \$4 billion, and its decision to expand it internationally matters because they show direct participation by a mainstream payments company.^[16]

Further diversifying the landscape are niche but high-growth assets: Figure's YLDS has reached roughly \$598 million in circulation, representing a significant shift toward yield-bearing, SEC-registered instruments that function as both a payment rail and an investment product. Paxos's USDP is smaller still, at roughly \$40.6 million, but is notable because Paxos has positioned itself around regulated issuance and infrastructure partnerships.^[17] Outside the dollar context, Société Générale-Forge's EUR CoinVertible (EURCV) remains relatively small, at roughly \$60–90 million depending on market source, but it is strategically important because it shows how a major bank is approaching regulated euro-denominated stablecoin issuance.^{[18][19]}

These players do not simply compete on size. They differ on reserve composition, disclosure, jurisdiction, network distribution, enterprise partnerships, and target use cases. USDT's differentiation is liquidity and ubiquity. USDC's differentiation is institutional alignment and integration into regulated financial workflows. PYUSD's differentiation is distribution through a known payment brand and merchant ecosystem. RLUSD's differentiation is its integration into a dedicated cross-border payment ecosystem and its regulatory approval from the NYDFS, targeting high-speed settlement for global treasury operations. YLDS's differentiation is its status as a yield-bearing security, providing holders with a return on their balance while serving as the primary settlement asset for a blockchain-native lending and capital markets ecosystem. Paxos differentiates through regulated infrastructure and white-label issuance capabilities. EURCV differentiates through bank sponsorship, and a non-dollar use case. For a business evaluating the space, that means "which stablecoin?" is not only a question of market cap. It is also a question of regulatory fit, liquidity in the relevant corridor, redemption confidence, and how well the token integrates into the business's own payment and treasury processes.

Conclusion

Stablecoins should not be understood as a side note to speculative crypto. They are better understood as an emerging form of digital cash infrastructure. Their importance lies in the combination of stable value, shared-ledger settlement, growing regulation, and increasing institutional attention. For businesses, the practical relevance is straightforward: a stablecoin rail can reduce the time, handoffs, and uncertainty between a payment decision and usable cash. In an early-pay environment, that can improve the actual liquidity benefit delivered to the recipient. In broader treasury and payment contexts, it can improve settlement speed, transparency, and controllability. The most important takeaway is not that every business must move to stablecoins immediately. It is that businesses should understand why these rails are attracting serious attention now, how they differ from traditional rails, and where they may create measurable working-capital advantages as adoption broadens.

Appendix A: Stablecoins vs. speculative cryptocurrencies

Dimension	Stablecoins	Speculative crypto assets
Primary purpose	Payments, liquidity movement, settlement, treasury uses	Investment, speculation, network participation, store-of-value thesis
Value behavior	Designed to remain near par with fiat currency	Value can rise or fall materially
Backing	Typically reserve-backed or structured around redeemability	Usually not backed by cash-equivalent reserves
User objective	Predictable purchasing power and transferability	Potential price upside or network utility
Regulatory focus	Reserves, redemption rights, issuer oversight, payment use	Market conduct, investor protection, broader digital-asset rules
Treasury relevance	Useful as payment rail or cash-like instrument	Generally unsuitable as routine cash equivalent

Appendix B: Domestic working-capital illustration

Assume a supplier has a \$1,000,000 invoice approved today and elects to accelerate payment. In a conventional domestic workflow, the buyer may still release on the next payment cycle, the transfer may still move via ACH, and the receiving bank may still delay full availability. If those steps consume three days, the supplier has three fewer days to fund payroll, inventory, or debt reduction. At an 8% annual cost of capital, three days on \$1,000,000 is worth roughly \$658. If the same supplier experiences the same three-day drag across 100 similar transactions in a year, the implied financing value of eliminating that drag is about \$65,800. The purpose of the example is not to claim that every business will save exactly this amount. The purpose is to show that a few days of payment friction can create a real and repeatable working-capital cost.

Provider / token	Approx. size (Mar. 17, 2026)	Primary fiat	Backing / structure	Notable attributes
Tether / USDT	~\$184B market cap	USD	Reserve-backed; dominant liquidity footprint	Largest stablecoin; broad exchange and cross-border liquidity
Circle / USDC	~\$79.5B market cap	USD	Cash and short-duration U.S. Treasuries; institutional posture	Widely used in payments and enterprise integrations
PayPal / PYUSD	~\$4B market cap	USD	Dollar-backed payment stablecoin	Mainstream payments brand; expanding international distribution
Paxos / USDP	~\$40.6M market cap	USD	Regulated trust-company issuance	Compliance-oriented infrastructure and white-label capabilities
Société Générale-Forge / EURCV	~\$60M–\$90M market cap	EUR	Euro-denominated bank-sponsored issuance	Illustrates regulated bank participation beyond the dollar

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