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The question is not issuance but settlement.

The Age of the Agentic Economy: A Strategy for the Korean Won Stablecoin

Korea's Design Choices in the Cycle
of Issuance, Distribution, and Settlement

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Introduction

刻舟求劍(Gakjugugeom). A man crossing a river drops his sword into the water and cuts a notch in the side of the boat to mark the spot where it fell. The boat drifts on, the notch stays where it was cut, and the sword is never recovered. The boat has already moved, but the rule remains fixed at the mark on the gunwale, and so the sword cannot be found.

As 2026 begins, stablecoins have moved out of the category of experimental technology and settled into place as institutionalized financial infrastructure. In July 2025 the United States enacted the GENIUS Act, establishing a federal framework for issuance and supervision. In December 2024 the European Union brought the Markets in Crypto-Assets Regulation (MiCA) fully into force, and as of early July 2026 the global market capitalization of stablecoins stands at roughly $311 billion[1]. The scale is notable, but what warrants closer attention is how the character of the financial infrastructure tied to stablecoins is itself changing. The underlying structure of payment and settlement has begun to be rebuilt on privately issued digital dollars, and this transition appears to have entered a stage that is to some degree irreversible.

In Korea, the debate over this change has centered on two questions. (1) Who will issue, and (2) how it will circulate.

The first turned on whether issuance should be confined to banks or opened to non-bank operators, and on whether to adopt the bank-centered structure of 50 percent plus one share proposed by the Bank of Korea and others. The second turned on which merchants and which channels should carry a won stablecoin into wider use. These questions are important. But measured against the fact that countries around the world are already transplanting new financial infrastructure through a wide range of rules and experiments, and measured against where Korea now stands, neither can be treated as the question that most decisively determines whether a Korean won (KRW) stablecoin succeeds.

Two reasons stand out. First, issuance is likely the lower-margin, commodity-like part of the stablecoin value chain. The real economic rent, the excess return that competitive pressure does not readily erode, arises not in issuance but at the chokepoints where transactions are settled and in the

[1] DefiLlama. (2026). *Stablecoins*. Accessed July 2, 2026. https://defillama.com/stablecoins. Market capitalization peaked at approximately $321 billion in April 2026 before correcting to a level of roughly $311 billion in early July, of which USDT accounts for approximately $184.4 billion and USDC for approximately $73.3 billion.

management of the reserve assets. From the standpoint of stablecoins, the parties now holding that position are not Korean banks but American operators such as Stripe, Circle, and Visa[2].

Second, the arena that decides whether the won survives as a unit of digital settlement will not be retail payments inside Korea. It will be the newer domains where a standard settlement currency has yet to take shape. Settlement between firms and payment for tokenized assets belong to those domains. Among them, the one that will spread the moment the standard is decided, and that carries the greatest potential, is the agentic economy, in which artificial intelligence agents carry out payments on their own without human intervention.

Some of the literature calls this the machine economy or machine payments. This report refers to it throughout as the agentic economy. One tally reports that between May 2025 and April 2026, 98.6 percent of the payments executed by artificial intelligence agents, measured by transaction count, were settled in a single dollar stablecoin[3]. That figure carries considerable limitations of sample and source, which Chapter 8 takes up separately. But the direction it points to is observed consistently. Even on this new stage, one that will bear on the hegemony of currency, the initiative is tilting toward the dollar.

The question this report pursues therefore lies not at the level of distribution channels but one layer beneath them. Who owns the chokepoints of digital settlement, and in what currency are transactions settled once they pass through those chokepoints. The first question concerns ownership of the settlement infrastructure. The second concerns the standard currency that circulates on top of it. The task facing the won is not to push dollar stablecoins out of the general market. Given network effects, that path has little prospect of success. What matters instead is to target the narrow positions the dollar cannot structurally fill, namely (1) cases where the counterparty to settlement belongs to the Korean economy, and (2) cases where regulatory compliance becomes an asset rather than a cost. The instrument for doing so is not whether issuance is permitted but how the licensing regime is designed.

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[2] a16z crypto. (2026). *6 trends for 2026: Stablecoins, payments, and real-world assets*. https://a16zcrypto.com/posts/article/trends-stablecoins-rwa-tokenization-payments-finance/. “Stablecoins will fundamentally shift from a niche financial tool to the foundational settlement layer for the internet.”

[3] Keyrock, Coinbase, Tempo, and Virtuals Protocol. (May 2026). *Who Pays the Agent?* https://keyrock.com/who-pays-the-agent/. Reported in CoinDesk, May 21, 2026, https://www.coindesk.com/business/2026/05/21/crypto-rails-are-becoming-the-default-payment-layer-for-ai-agents-report-says. Of approximately 176 million on-chain agent payments between May 2025 and April 2026, 98.6 percent by transaction count settled in USDC. Counterarguments concerning the size of the sample and the substantiality of the transactions are examined in Chapter 8.

How distribution should work is also a central question. From last year through the seminar held this February, this institute has addressed the distribution of a won stablecoin head-on. That work identified early markets where the cost and speed of existing rails are the binding problem, including payments in inbound tourism and medical tourism, settlement in reverse direct purchasing and cross-border e-commerce, and payments for tokenized assets and agent transactions. It also accumulated interviews with market participants on how to use the user touchpoints and merchant networks that Toss, KakaoPay, and Naver Pay already hold. Distribution is in itself an important contest for the won, and this report seeks not to replace that work but to add a layer on top of it. That is, who is building the settlement chokepoints on which distribution will rest, and in what currency do they run.

Consider for a moment the trajectory of legislation in the United States. The United States is legislating the GENIUS Act, which governs issuers, alongside but separately from the CLARITY Act, which governs the market structure that operates above it. The former addresses reserve assets and redemption in issuance. The latter addresses the infrastructure where settlement and trading occur, including exchanges, custody, and the line between digital commodities and securities. That issuance and the settlement infrastructure above it are governed by two different statutes implies, to some extent, that the underlying value sits in two separate layers.[4]

This report concentrates its analysis on the settlement layer. It examines the value structure that settlement occupies today and will occupy going forward within the new financial infrastructure, together with the dynamics of settlement currency in the emerging agentic economy. The conclusion draws these threads together into directions for institutional design that Korea might consider.

The discussion proceeds as follows. Part I analyzes where the value in stablecoins arises. It breaks the value chain into four layers of issuance, settlement, distribution, and reserve management (Chapter 1). It examines how global operators are vertically integrating settlement and distribution (Chapter 2). It shows that income from managing reserve assets is the real source of issuer revenue (Chapter 3). It then argues that issuance competition in Korea is misaligned with the place where economic rent arises (Chapter 4).

[4] Congress.gov. *H.R.3633, Digital Asset Market Clarity Act of 2025*. https://www.congress.gov/bill/119th-congress/house-bill/3633. The bill passed the House on July 17, 2025, by 294 to 134, and cleared the Senate Banking Committee on May 14, 2026, by 15 to 9, before being placed on the calendar for floor consideration on June 1 of that year. As of early July 2026 it had not been voted on by the full Senate. Where the GENIUS Act addresses the regulation of issuers, the CLARITY Act addresses market structure, including exchanges, brokers, and custody and the line between digital commodities and securities, that is, the rules governing the infrastructure where settlement and trading occur.

Part II analyzes the agentic economy as the frontier where the default settlement currency is being set. It looks at the convergence of agent payments on the dollar (Chapter 5) and the structural drivers that entrench that convergence (Chapter 6). It then examines the point that the true bottleneck lies not in payment but in verifying agent identity, and what Korea's institutional assets mean at that point (Chapter 7). It takes up counterarguments to the foregoing discussion directly (Chapter 8). Part III builds on this analysis to set out the licensing design options through which the won can secure a place of its own (Chapter 9).

NOTES

This report asks not only who issues and who distributes, but who owns the settlement chokepoint on which distribution rests, and in what currency settlement occurs there.

Value tilts away from issuance and toward settlement and the management of reserve assets. The proposition that settlement itself yields greater economic rent is for now an inference drawn from where capital is moving. Only the proposition that revenue from issuance flows to distribution is a fact confirmed by the issuers' own disclosures.

The default settlement currency in the agentic economy is tilting toward the dollar but is not yet established. The option available to the Korean won lies not in displacement in the general market but in selective preemption through the design of licensing.

Part I:
Where Does Value Originate?

Chapter 1. The Structure of the Stablecoin Value Chain and Where Economic Rent Accrues

Investors often talk about the value chain. The idea is to trace the path along which value in a given industry arises, to assess the qualitative and quantitative worth of the firms that play significant roles along that path, and to invest in those with relative room left to rise. The same logic applies wherever money flows. In taxation, the point is not to reach every area through which money moves but to control the single bottleneck that taxpayers find hard to avoid and the taxing authority finds easy to monitor. The history of payments has repeated this pattern for much the same reasons.

Break payments into their component functions and the revenue they generate is not distributed evenly across those functions. It concentrates in whoever holds the chokepoint that is hard to substitute and impossible to route around. Economic rent, as this report uses the term, refers to the excess return that persists in such a position without being eroded by competitive pressure. Depending on context, the text below also renders it simply as excess return. This chapter applies that idea to stablecoins and examines where in the value chain economic rent comes to rest. It tests the hypothesis that issuance holds weaker contractual bargaining power than settlement or distribution, while acknowledging a limitation. At present there is little data on excess returns adjusted for the costs, risks, and capital invested in each function. For the sake of consistency in the argument that follows, the reasoning is stated somewhat categorically even where it carries this limitation.

1.1 The Economic Rent Structure of the Card Network

One benchmark for gauging the value structure of stablecoins is the card payment network, which has been running for half a century. A card network consists broadly of (1) the banks that issue cards, (2) the operators that sign up merchants and accept payments on their behalf, and (3) the network that sits between them, routing transactions and setting the rules of settlement.

The principal chokepoint is neither the issuing bank nor the acquirer. It is the network. Issuance is competitive. Thousands of banks issue what are formally the same cards, and the departure of any one of them leaves the network as a whole undisturbed. The network, by contrast, is the single chokepoint that both the paying side and the receiving side must pass through, and from that position it holds the power to set the settlement rules that join the two and the fees attached to them. The revenue of issuing banks was reduced to an object of unlimited competition, while the position of

the network held for as long as each side of the market needed the other.[5] Most cards carry a Visa or Mastercard logo, and that logo denotes the network on which the card can be used. In card payments, the most enduring economic rent appears to have accrued not to issuance but to the settlement position the network occupies.

A similar pattern is visible in stablecoins, and it will unfold faster than it did with cards. There is one difference. The card network was a single chokepoint through which both sides had to pass, whereas blockchain settlement is divided among competing venues, including open platforms such as Ethereum and Solana and the purpose-built payment chains now emerging. The existence of multiple routes means the economic rent in settlement may not be as monopolistic as it was in the card network. It also means ownership of that rent is not yet settled, and room remains to force a way in.

1.2 Three Theories of Where Value Accrues

Before generalizing too readily from the case above, it is worth reviewing the relevant theoretical foundations. As noted, the tendency of value to gather at particular positions is not confined to payments. Industrial organization and platform economics have analyzed it for decades. Three theories bear on the question.

The first is the theory of two-sided markets. On this account, a platform that mediates between two groups that need each other generates economic rent from the position of mediation itself.[6] As the card network did between issuing banks and merchants, the mediator earns its return in exchange for solving the chicken-and-egg problem facing both sides.

The second is the theory of demand capture. In digital environments, value accrues not to whoever controls supply but to whoever holds the relationship with final demand.[7] Put simply, who holds the point of contact at which users pay matters more than who issues the token.

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[5] Evans, D. S., & Schmalensee, R. (2005). *Paying with Plastic: The Digital Revolution in Buying and Borrowing* (2nd ed.). MIT Press; Hayashi, F. (2006). A puzzle of card payment pricing: Why are merchants still accepting card payments? *Review of Network Economics*, 5(1), 1–31.

[6] Rochet, J.-C., & Tirole, J. (2003). Platform competition in two-sided markets. *Journal of the European Economic Association*, 1(4), 990–1029; Rochet, J.-C., & Tirole, J. (2006). Two-sided markets: A progress report. *RAND Journal of Economics*, 37(3), 645–667.

[7] Thompson, B. (July 21, 2015). Aggregation theory. *Stratechery*. https://stratechery.com/2015/aggregation-theory/

The third is the strategy of commoditizing complements. A dominant operator deliberately drives down the price and margin of the complements adjacent to its core business, turning them into ordinary goods, and defends its own economic rent on top of them.[8] Seen this way, the conduct of payment operators who decline to issue stablecoins themselves while buying up the settlement networks below and the distribution touchpoints above is best read as a strategy of commoditizing issuance in order to protect the value of the position they already hold.

The three theories emphasize different things. On the issuance layer they converge on a common implication. Issuance holds neither the position of the mediator nor the relationship with final demand, and so holds no defensible excess return arising from either.

1.3 The Four Layers of the Stablecoin Value Chain

Applying the framework above, the stablecoin value chain divides broadly into four layers.

1) **Issuance.** Minting and redeeming tokens and holding reserve assets. Tether and Circle belong here, as does the bank consortium now taking shape in Korea. The main revenue comes from managing the reserve assets.

2) **Settlement.** The blockchain foundation on which transactions are actually processed and finalized. This layer divides in turn into two. One is the question of who owns the infrastructure on which settlement occurs, that is, the rails themselves. The other is the question of what currency transactions are settled in on top of those rails. The former is contested between general-purpose blockchains such as Ethereum and Solana and payment-specific blockchains such as Stripe's Tempo and Circle's Arc, and it corresponds to the network chokepoint that both sides had to pass through in the card era. The latter is the position of the standard currency that circulates above the rails, and it is the central issue of the agentic economy taken up in Part II. Part I addresses mainly the first question, Part II the second.

[8] Spolsky, J. (June 12, 2002). Strategy letter V. *Joel on Software*. https://www.joelonsoftware.com/2002/06/12/strategy-letter-v/. "Smart companies try to commoditize their products' complements." For a contemporary restatement of the same principle, see Gwern, *Laws of Tech: Commoditize Your Complement* (https://gwern.net/complement).

3) **Distribution.** All the points at which tokens meet end users, including card issuance, fiat on- and off-ramps, wallets, and interfaces for payments between firms. Examples include Coinbase; Bridge and Privy, both acquired by Stripe; and BVNK, subject to an acquisition agreement with Mastercard.

4) **Reserve management.** The point at which capital sitting idle between the moment funds arrive and the moment they leave is turned into income. A gap now exists here, since the GENIUS Act prohibits issuers from paying interest. Tokenized short-term Treasury funds belong to this layer. Chapter 3 takes up the subject.

Of these four layers, issuance is unlikely to be where economic rent fully comes to rest, judged against the three theories above and the history of the card payment network.

1.4 The Vulnerability of the Issuance Layer

Why, then, does issuance become commoditized?

First, the technical barrier to entry is low. Minting a token backed by 100 percent reserve assets and redeemable one for one can be replicated technically, and anyone who meets the reserve and disclosure requirements that regulation imposes can issue the same token. Licensing and first-mover position may of course function as de facto barriers for a period. But these are assets conferred by the regulatory regime or by market structure. They are not advantages inherent in the act of issuance.

Second, issuer revenue is subject to interest rates the issuer does not control. That revenue is in essence the interest on the short-term Treasury securities held as reserve assets, which makes the substance of the stablecoin issuance business closer to running a short-term Treasury fund. Circle's results bear this out. Of the $694 million in total revenue Circle recorded in the first quarter of 2026, $653 million, or 94 percent, came from managing reserve assets.[9] In the same quarter the yield on those reserves fell 66 basis points year over year.

Issuers cannot set their own yields. In a period of falling rates they can only offset the decline through growth in outstanding issuance, and that line of defense is not sustainable.

[9] Circle Internet Group. (May 11, 2026). *Circle Reports First Quarter 2026 Results* [Press release]. https://www.circle.com/pressroom/circle-reports-first-quarter-2026-results. Of the $694 million in total revenue and reserve revenue for the first quarter of 2026, $653 million, or approximately 94 percent, was reserve income, and the reserve yield fell 66 basis points year over year. USDC in circulation stood at $77 billion at quarter end, an increase of 28 percent year over year.

Third, regulation is also moving in a direction that removes the means of competing. As noted, the GENIUS Act prohibits issuers from paying interest to holders.[10] The effect is to close off the route by which issuers might contest market share by returning reserve income to users. Requiring an issuer to hold only safe assets and barring it from returning the income on those assets to users resembles the narrow bank that monetary economics has long debated, a bank that holds only safe assets and takes no risk in its asset management.[11] As with the narrow bank, the issuer in this structure gains stability, but its principal revenue narrows to reserve income. Revenue beyond that flows to the newer positions that hold the user and manage distribution and idle funds.

Separating issuance from distribution makes a further point clear. Even where the issuer nominally holds the reserve assets, who actually takes the income on them is ordinarily determined by the distribution agreement. Circle's registration statement filed with the Securities and Exchange Commission shows as much. In that document Circle states that Coinbase takes all of the reserve income on USDC held on Coinbase's platform and half of the income on USDC circulating off the platform, and it identifies its inability to control that cost structure as a risk factor.[12] Circle's first-quarter 2026 report goes further. Coinbase receives its allocation on the basis of USDC held on the Coinbase platform after deduction of Circle's issuer retention, and on the broader ecosystem growth portion it receives half of the residual remaining after approved third-party payments are deducted first.[13]

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[10] White House. (July 18, 2025). *Fact sheet: President Donald J. Trump signs GENIUS Act into law*. https://www.whitehouse.gov/fact-sheets/2025/07/fact-sheet-president-donald-j-trump-signs-genius-act-into-law/. Section 4(a)(11) of the Act (S.1582, 119th Cong.) prohibits a payment stablecoin issuer from paying interest or yield in any form to holders in connection with the holding, use, or retention of the stablecoin.

[11] Tobin, J. (1987). The case for preserving regulatory distinctions. In *Restructuring the Financial System* (pp. 167–205). Federal Reserve Bank of Kansas City. The deposited currency account Tobin proposed, a pure means of payment holding 100 percent safe assets and performing no maturity transformation, corresponds to the theoretical prototype of the stablecoin. See also Pennacchi, G. (2012). Narrow banking. *Annual Review of Financial Economics, 4*, 141–159. For a case in which a narrow bank applied to open a master account at a Federal Reserve Bank and, the decision having been delayed, the court dismissed the suit without reaching the merits for lack of standing and ripeness, see TNB USA Inc. v. Federal Reserve Bank of New York, No. 1:18-cv-07978 (S.D.N.Y. Mar. 25, 2020).

[12] Circle Internet Group. (April 1, 2025). *Form S-1 Registration Statement*. U.S. SEC, EDGAR. https://www.sec.gov/Archives/edgar/data/1876042/000119312525070481/d737521ds1.htm. Reported in Sinclair, S. (April 1, 2025), *Decrypt*, https://decrypt.co/312757/coinbase-circles-residual-usdc-reserve-revenue-filing. Circle identified as a risk factor that Coinbase receives 100 percent of the reserve income on USDC held on its platform and 50 percent on amounts circulating off the platform, and that Circle does not control that cost structure. The analysis that this revenue allocation may run afoul of the prohibition on interest payments under the GENIUS Act is taken up in Chapter 3.

[13] Circle Internet Group. *Form 10-Q for the quarter ended March 31, 2026*. U.S. SEC, EDGAR. https://www.sec.gov/Archives/edgar/data/1876042/000187604226000150/crcl-20260331.htm. The Coinbase allocation is based on the reference amount of USDC held on the platform after deduction of Circle's issuer retention, and on half of the broader ecosystem growth portion after deduction of approved third-party payments.

1.5 Korea's Position

The analysis to this point can be summarized as follows.

In the stablecoin value chain, economic rent appears likely to be distributed not to issuance but to the settlement network, to the distribution layer that holds the user, and to the reserve income that distribution collects. On this point it is worth examining how traditional payment operators are allocating capital across issuance, settlement, and distribution in different combinations. Mastercard's acquisition agreement with BVNK, Visa's expansion of its settlement network, and Stripe's vertical integration, discussed in Chapter 2, are the relevant cases. The revenue that individual settlement networks actually earn has not yet been disclosed, so it is not possible to confirm how income will in fact accrue along the value chain. The leading pattern of capital allocation at present, however, follows the direction described above.

Set against this picture, the domestic debate over a won stablecoin has concentrated on who will issue and how. But issuance has a low technical barrier to entry and is heavily exposed to interest rates, regulation, and distribution agreements, which makes it the position in the value chain that is hardest to defend. Korea remains at the stage of debating the position where competition is fiercest and economic rent is thinnest. Moreover, the won that is the subject of that debate does not yet exist at the settlement chokepoint where the rent arises. The next chapter examines who now controls that chokepoint.

Chapter 2. Vertical Integration by Global Operators and Control of the Settlement and Distribution Layers

The previous chapter examined, in light of theory and history, where in the value chain economic rent resides. This chapter turns to what the public record allows one to infer about how that analysis holds up in the market itself. To that end it looks at where the major operators in the payments industry directed their capital from 2025 through the first half of 2026. The discussion takes up Stripe, then Circle, then Visa and Mastercard in turn, and closes with the pattern that emerges and its implications for Korea.

2.1 Stripe's Vertical Integration

Stripe processed $1.9 trillion in payments over the course of 2025. Through its acquisitions of Bridge and Privy and its incubation of Paradigm and Tempo, Stripe expanded in a direction that integrates stablecoin issuance, custody, and orchestration together with wallet and ledger infrastructure.

1) In February 2025 Stripe closed its acquisition of the stablecoin infrastructure firm Bridge for $1.1 billion. When the deal was announced in October 2024, it was regarded as the largest acquisition to date in the digital asset sector.[14] The nature of Bridge warrants attention here. Bridge is not an issuer of stablecoins. It is the substrate that processes and coordinates the tokens of multiple issuers. Stripe did not enter the issuance contest and pick a particular token. It secured the processing layer through which any issuer's token must pass, and in doing so took a position that earns revenue regardless of which issuer prevails. In February 2026 Bridge received preliminary conditional approval from the Office of the Comptroller of the Currency (OCC) for a national trust bank charter,[15] which suggests that settlement and

[14] CNBC. (February 4, 2025). *Stripe closes $1.1 billion Bridge deal, prepares for aggressive stablecoin push*. https://www.cnbc.com/2025/02/04/stripe-closes-1point1-billion-bridge-deal-prepares-for-stablecoin-push-.html. The acquisition, announced in October 2024, closed in February 2025 and was regarded at the time as the largest acquisition to date in the digital asset sector.

[15] Office of the Comptroller of the Currency. (February 12, 2026). *Corporate Decision #1365: Bridge National Trust Bank*. https://www.occ.gov/topics/charters-and-licensing/interpretations-and-decisions/2026/cd1365.pdf. The OCC granted preliminary conditional approval on February 12, 2026, for the national trust bank charter that Bridge, a Stripe subsidiary, applied for in October 2025. Final authorization is conditioned on the satisfaction of governance, risk, and compliance requirements.

processing operators are moving toward a quasi-banking institutional status within the regulatory environment governing issuance.

2) Bridge's subsidiary Bridge Building Inc. issues the dollar stablecoin USDB and its white-label variant xUSD, and provides orchestration and custody services. Bridge National Trust Bank, the recipient of the OCC preliminary conditional approval noted above, plans upon final authorization to serve as the principal issuer of xUSD while also handling reserve management, custody, and orchestration.

3) In June 2025 Stripe acquired the wallet infrastructure firm Privy, securing a base of more than 75 million accounts.[16] This appears to have reinforced the distribution layer, the point of contact at which users hold and spend tokens.

4) In March 2026 Stripe launched the mainnet of Tempo, a payment-specific blockchain, together with Paradigm.[17] Tempo is not a general-purpose blockchain but one specialized for payments. Its base stablecoin transfer fee is set below $0.001, and it is designed so that gas fees are paid in stablecoins rather than in a separate native token. On the same day, Stripe and Tempo announced the Machine Payments Protocol, which supports autonomous payments by artificial intelligence agents.

Taken together, Stripe's strategy can be read as vertical integration of the stablecoin value chain, binding issuance, orchestration, and custody through Bridge, wallets through Privy, and ledger infrastructure through Tempo.

[16] Bloomberg. (June 11, 2025). *Payment company Stripe to acquire crypto wallet provider Privy*. https://www.bloomberg.com/news/articles/2025-06-11/payment-company-stripe-to-acquire-crypto-wallet-provider-privy. Privy is an embedded wallet infrastructure provider supporting more than 75 million accounts across more than 1,000 development teams. The consideration was not disclosed.

[17] CoinDesk. (March 18, 2026). *Stripe-led payments blockchain Tempo goes live with protocol for AI agents*. https://www.coindesk.com/tech/2026/03/18/stripe-led-payments-blockchain-tempo-goes-live-with-protocol-for-ai-agents; Ledger Insights. (March 20, 2026). *Stripe, Paradigm launch Tempo blockchain alongside machine payments standard*. https://www.ledgerinsights.com/stripe-paradigm-launch-tempo-blockchain-alongside-machine-payments-standard/. Tempo was first unveiled in September 2025, went through a testnet in December of that year, and launched its mainnet on March 18, 2026.

2.2 Circle's Move into the Settlement Layer

The trajectory of Circle, the leading stablecoin issuer, also warrants attention. Circle, which issues USDC, has not remained a pure issuer and is extending its business into the settlement layer.

Circle's published financial results allow the motive to be inferred. Circle allocates a substantial share of the reserve income on USDC to its distribution partner Coinbase. In 2024, of total revenue of approximately $1.676 billion, of which $1.661 billion came from reserve management, Circle paid roughly $908 million to Coinbase and retained the remaining $768 million.[18] The structure is one in which the issuer holds the reserve assets yet must hand more than half of the income on them to its distribution partner. Issuance alone does not secure economic rent in full.

Circle accordingly appears to be seeking a position in the settlement layer. In May 2026 Circle raised $222 million from BlackRock, Apollo, and others in a token presale for Arc, a payment-dedicated blockchain, at a recognized fully diluted valuation of $3 billion for the Arc network.[19] Arc is a payment-specific foundation that uses USDC as its native gas fee, and, as discussed below, it is included in Visa's settlement pilot.

[18] Ved, T. (June 24, 2025). *Circle Goes Public: Circle's Valuation & the Economics of USDC* (State of the Network No. 317). Coin Metrics. https://coinmetrics.substack.com/p/state-of-the-network-issue-317. The underlying figures were cross-checked against Circle's Form S-1, cited above. Total revenue and reserve revenue for 2024 came to $1.676 billion, of which reserve income was $1.661 billion. Of $1.011 billion in total distribution and transaction costs, $908 million was paid to Coinbase. Revenue remaining after the Coinbase allocation was approximately $768 million, and net income after all costs was approximately $156 million.

[19] CNBC. (May 11, 2026). *Circle raises $222 million from BlackRock, Apollo and others in Arc token presale valued at $3 billion*. https://www.cnbc.com/2026/05/11/circle-closes-222-million-from-blackrock-apollo-for-arc-blockchain.html. The round raised $222 million at a fully diluted valuation of $3 billion, led by a16z crypto with $75 million and joined by BlackRock, Apollo, and ICE among others. Arc is a chain specialized for stablecoin finance that uses USDC for gas. It was unveiled in August 2025, went through a testnet in October, and its mainnet is scheduled for release during 2026.

2.3 The Settlement Network Strategies of Visa and Mastercard

The strategies adopted by the two dominant card networks in the stablecoin era also merit examination. Those strategies closely resemble the economic rent structure of the card era described in Chapter 1, which can be summarized as follows.[20]

The Economic Rent Structure of the Card Era

Party	Revenue source	Share of merchant fee	Regulatory durability
Issuer (bank)	The issuer's share of the fee	Approx. 70–80%	Principal target of regulation. Bears credit risk directly.
Network (Visa·Mastercard)	Network fees and value-added services	Approx. 7–9%	Most enduring. Was not a direct target of regulation.
Acquirer	Acquiring margin	Approx. 3–15% (varies by negotiation)	Competition is fierce and commoditization is under way.

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Issuer fees, which constitute the principal source of revenue, are collected by issuing banks but come with regulatory costs and credit risk. More importantly, they lack a moat and are therefore likely to be exposed to unlimited competition. Network fees, by contrast, are not substantially exposed to these risks. When the United States regulated debit card fees through the Dodd-Frank Act in 2010, the fee received by issuers fell from an average of roughly 44 cents per transaction before the rule took effect to an effective 22 to 24 cents under the newly introduced cap, while no comparable cap was applied to the fee received by the network.[21]

The blade of regulation was aimed at issuance and passed the settlement network by. That Visa earned approximately $40 billion in net revenue on roughly $14 trillion in payment volume in fiscal

[20] On the economic rent structure of the four-party card model, see Evans & Schmalensee (2005), cited above; Hayashi (2006), cited above; and Spark Money Research. (March 10, 2026). *Card network economics: How Visa and Mastercard actually make money*. https://www.spark.money/research/card-network-economics-visa-mastercard. The shares in the table are approximations based on the merchant discount rate borne by merchants: roughly 70 to 80 percent to the issuer as interchange, roughly 7 to 9 percent to the network as scheme and assessment fees, and a margin of roughly 3 to 15 percent to the acquirer, varying with transaction type and negotiation.

[21] A regulation introduced in the United States through Section 1075 of the Dodd-Frank Act of 2010, known as the Durbin Amendment, and the Federal Reserve's Regulation II. It set the cap on the debit card fee received by large issuers at 21 cents plus 0.05 percent of the transaction value, with an additional 1 cent where fraud-prevention requirements are met, lowering a fee that had averaged roughly 44 cents per transaction before the rule took effect to an effective 22 to 24 cents. The fee received by the networks, Visa and Mastercard, was not subject to that cap. In August 2025 a federal district court invalidated the standard on the ground that the Federal Reserve had exceeded its authority, but its effect has been stayed pending appeal and the cap remains in force. Board of Governors of the Federal Reserve System. *Average Debit Card Interchange Fee by Payment Card Network*. https://www.federalreserve.gov/paymentsystems/regii-average-interchange-fee.htm

year 2025, with net income of approximately $20.1 billion,[22] is not unrelated to the fact that it is the network position rather than issuance that yields sustainable excess returns.

Mapping this structure onto stablecoins, issuers such as Tether and Circle correspond to the card-era issuers, the settlement foundations on which transactions are finalized, including blockchains, correspond to the network, and distribution operators such as Stripe and Coinbase correspond to the acquirers. Visa and Mastercard have read this correspondence and are seeking to reproduce in the stablecoin era the network position they occupied in the card era.

Their moves are as follows. In March 2026 Mastercard agreed to acquire the stablecoin infrastructure firm BVNK for up to $1.8 billion. BVNK processes roughly $30 billion in payments annually for financial institutions and fintechs across 130 countries.[23] What deserves attention is that Mastercard issues none of USDC, PYUSD, or RLUSD itself. Just as it held the network position in the card era without issuing cards of its own, in the stablecoin era it appears to have left issuance vacant and bought the foundations of settlement and processing instead. Visa, for its part, expanded the blockchains supporting stablecoin settlement from four to nine in April 2026, and the newly added foundations include Circle's Arc and Stripe's Tempo. In the same announcement Visa stated that the annualized settlement volume, or run rate, of its stablecoin settlement pilot had reached $7 billion, a 50 percent increase over the previous quarter.[24]

Apply once more the precedent from card regulation described above, namely that regulation cut the fees of issuers while passing the network by. In the stablecoin era as well, the prohibition on interest payments under the GENIUS Act is aimed at issuers and not at settlement networks. In light of this regulatory asymmetry, the decision by Visa and Mastercard to avoid issuance and take the settlement network is a rational choice of position.

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[22] Visa Inc. (October 28, 2025). *Visa Fiscal Fourth Quarter and Full-Year 2025 Financial Results* [Press release]. https://investor.visa.com/news/news-details/2025/Visa-Fiscal-Fourth-Quarter-and-Full-Year-2025-Financial-Results/default.aspx. For fiscal year 2025, ended September 30, 2025: payment volume of approximately $14 trillion, net revenue of $40 billion, an increase of 11 percent year over year, and net income of $20.1 billion.

[23] Payments Dive. (March 17, 2026). *Mastercard to buy BVNK for $1.8B*. https://www.paymentsdive.com/news/mastercard-to-buy-bvnk-for-18b/814948/. $1.5 billion base consideration plus $300 million tied to milestones. BVNK processes approximately $30 billion annually across 130 countries.

[24] Visa. (April 29, 2026). *Visa accelerates stablecoin momentum: Adding five blockchains for settlement* [Press release]. https://usa.visa.com/about-visa/newsroom/press-releases.releaseId.22336.html. Base, Polygon, Canton, Circle Arc, and Stripe Tempo were added to the existing four foundations of Ethereum, Solana, Avalanche, and Stellar, bringing the total to nine. The settlement volume of approximately $7 billion is as of the announcement of April 29, 2026, an increase of roughly 50 percent over the previous quarter.

2.4 Joint Ownership of the Settlement Layer: From Discussion to Launch

Beyond individual vertical integration, there is also a move toward joint ownership of the settlement layer. In early June 2026, when some outlets reported that Stripe, Visa, and Mastercard were in discussions to launch a joint stablecoin platform, the parties declined to comment, and the talks were described as being at an early stage with not even a memorandum of understanding in place.[25]

On June 30, 2026, however, the Open Standard consortium, led by a co-founder of Bridge, the firm acquired by Stripe, announced the launch of a joint stablecoin called Open USD. The list of participants ran to roughly 140 names, including Visa, Mastercard, and American Express, Stripe, Coinbase, and Ripple, and banks such as BNY and U.S. Bank. The token was slated for release within the year, and Stripe stated that it would make Open USD the default for businesses using stablecoins on its platform.[26]

How, then, is the business structured when the settlement layer is owned jointly? Put differently, how is the distribution of revenue designed? Open USD eliminates issuance and redemption fees and allocates most of the reserve income to participants in proportion to their distribution volume, leaving the operating entity with only a small management fee.[27] The margin on issuance is pinned at zero by design and the income is passed through to distribution. This appears to reproduce, at the issuance layer of stablecoins, the design by which card-era networks took hegemony over settlement while allocating most of the merchant fee to issuers. The market responded sharply. On the day of the

[25] CoinDesk. (June 3, 2026). *Payment giants Stripe, Visa, Mastercard said to be among backers of soon-to-debut stablecoin platform*. https://www.coindesk.com/business/2026/06/03/payment-giants-stripe-visa-mastercard-said-to-be-among-backers-of-soon-to-debut-stablecoin-platform; Fortune. (June 8, 2026). *Visa and Mastercard are planning to shake up the stablecoin market, but pulling it off won't be easy*. https://fortune.com/crypto/2026/06/08/visa-mastercard-stripe-coinbase-stablecoin-platform/. The latter described the situation at the time as an early-stage discussion with neither a formal agreement nor even a memorandum of understanding in place.

[26] Banking Dive. (July 1, 2026). *Banks, card networks, fintechs partner on "low-cost" stablecoin*. https://www.bankingdive.com/news/stablecoin-open-standard-bridge-abrams-bny-stripe-mastercard-visa-coinbase-adyen/824200/. Roughly 140 companies are taking part in the consortium, including the banks BNY, U.S. Bank, Huntington, and Citizens, along with Visa, Mastercard, American Express, Stripe, Coinbase, Ripple, Adyen, and Chime. The token was slated for release at the end of 2026.

[27] Open Standard. (June 30, 2026). *Introducing Open USD*. https://joinopenstandard.com/blog/introducing-open-usd; American Banker. (July 1, 2026). *Open Standard's stablecoin draws Stripe, Visa and Mastercard*. https://www.americanbanker.com/payments/news/open-standards-stablecoin-draws-stripe-visa-and-mastercard. The announced design takes no fee on issuance or redemption, sets no cap on the amount issued, allocates most of the reserve income to adoption and distribution partners, and leaves the operating entity with only a small management fee. The specific allocation formula, the fee rates, and the regulated issuing entity had not been disclosed as of early July 2026.

announcement, shares in Circle, the issuer of USDC, fell approximately 17 percent.[28] That Coinbase, the largest beneficiary of the USDC reserve income allocation, also appears on the consortium's list shows once again that whoever holds distribution can hold hegemony independently of issuance.

What deserves attention is that this arrangement appears to be the commoditization of complements described in Chapter 1, implemented in collective form. Operators holding distribution and settlement have hollowed out issuance so that no single issuer can monopolize the economic rent in that position, and each defends the layer it occupies. With the settlement and distribution layers now visibly placed under a common front of a small number of operators, the ground available to later entrants is expected to narrow further.

Open USD was of course announced only recently, and there are practical limits to substantiating the above with concrete results. Chapter 3 returns to this point. Regardless of whether it succeeds, however, what this chapter takes note of is the direction of capital, namely that the distribution camp as a whole has converged on the commoditization of issuance.

[28] CoinDesk. (July 1, 2026). *Jefferies warns against buying the dip in Circle as Open USD raises new competition fears*. https://www.coindesk.com/markets/2026/07/01/jefferies-warns-against-buying-the-dip-in-circle-as-open-usd-raises-new-competition-fears. Circle's shares fell 17 percent on the day of the announcement and rebounded 5 percent the following day.

2.5 Implications for Later Entrants into Issuance

These moves share a common feature. The major operators are combining two or more of the issuance, settlement, and distribution layers. Stripe secured issuance, orchestration, and custody through Bridge, wallets through Privy, and ledger infrastructure through Tempo. Circle expanded from issuance into the Arc ledger, and Visa and Mastercard are connecting stablecoin payment functions to their existing networks. Stripe built settlement foundations above the issuers, Circle moved up into the settlement layer despite being an issuer itself, and the card networks widened their settlement networks without issuing at all. The assets they have secured, namely the user touchpoint, the payment standard, and the settlement foundation, are precisely the positions that Chapter 1 identified as those to which economic rent accrues.

Apply this to the situation facing a won stablecoin. If the settlement and distribution layers are already being integrated by a small number of global operators, and integrated rapidly at that, then an issuer arriving late has little prospect of attaining a status above that of a simple supplier on top of them. Should a won stablecoin remain confined to issuance, it may end up as one more commoditized token processed on Stripe's Tempo or Visa's settlement network. Even the reserve income arising from its issuance is likely to be determined by the layers above it, as Chapter 3 shows.

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From 2025 through the first half of 2026, the major operators in the payments industry directed their capital not to issuance but to settlement and distribution.

Stripe took the settlement foundations above the issuers, through Bridge and Tempo. Circle, an issuer itself, took the settlement layer through Arc. Visa and Mastercard took settlement networks without issuing at all. At the end of June 2026, some 140 companies announced the launch of Open USD, a joint stablecoin allocating most of the income from issuance to distribution, so that the commoditization of issuance took collective form.

The economic rent structure of the card era, namely the issuer fees vulnerable to regulation and the durable economic rent of the network that regulation passed by, is being reproduced in stablecoins. This carries the implication that a late-arriving issuer risks remaining a commoditized supplier.

Chapter 3. The Economics of Reserve Income and Where It Accrues

Chapters 1 and 2 established that economic rent at the issuance layer is structurally weak and set out how global operators are buying up settlement and distribution. The discussion now turns to the revenue source that remains to issuers, namely the income generated from managing reserve assets. The reason an issuer such as Circle should seek to secure a position in the settlement layer at all, and the reason Korean banks are contesting issuance, both converge on the same question of who takes how much of that income. This chapter examines in turn the scale and character of that income, where it accrues, and the factors eroding it.

3.1 The Scale and Character of Reserve Income

The principal revenue source for a stablecoin issuer is reserve income, that is, the interest earned by investing the reserve assets held against issued tokens in short-term Treasury securities and similar instruments. Much like a net interest margin, it is the gain from putting funds to work between the moment they arrive and the moment they leave. Card companies, insurers, and airlines issuing prepaid instruments have all earned revenue from this structure.

The scale is not small. Circle earned $653 million from reserve income alone in the first quarter of 2026,[29] and Tether reported net income of approximately $1.04 billion in the same quarter.[30] The substance of the issuance business is therefore closer to running a short-term Treasury fund. In Circle's case, 94 percent of total revenue is booked under this single line item.[31]

The reliability of Tether's figures is subject to certain limits. The asset, liability, and excess reserve figures Tether presents rest on an attestation by the accounting firm BDO rather than a full external

[29] Circle Internet Group. (May 11, 2026), press release cited above.

[30] Tether. (May 1, 2026). *Tether Posts $1.04B Q1 2026 Profit* [Press release]. https://tether.io/news/tether-posts-1-04b-q1-2026-profit-despite-highly-volatile-global-markets-reaches-all-time-highs-8-23b-reserve-buffer-and-maintains-u-s-treasury-heavy-backing/. These figures rest on an attestation by the accounting firm BDO and do not constitute a full external audit accompanied by an independent auditor's opinion. The reserve assets include volatile holdings such as approximately $141 billion in direct and indirect exposure to U.S. short-term Treasury securities, approximately $20 billion in gold, and approximately $7 billion in bitcoin. Tether's first formal audit, by KPMG, commenced with this quarter.

[31] Circle Internet Group. (May 11, 2026), press release cited above.

audit conducted under generally accepted accounting principles.[32] Circle, which publishes monthly reserve attestations, offers figures of higher reliability, and the analysis below therefore proceeds principally on that basis.

3.2 Where the Income Accrues: Distribution, Not Issuance

The difficulty is that this income does not accrue in full to the issuer. As Chapter 2 showed, Circle pays Coinbase all of the reserve income on USDC held on Coinbase's platform and half of the income on USDC circulating off the platform. In 2024, of total revenue of approximately $1.676 billion, roughly $908 million flowed to Coinbase, leaving Circle with approximately $768 million after that allocation. Annual net income after all costs came to only about $156 million.[33]

As noted above, this shows the distribution operator holding the relationship with the user exercising greater bargaining power than the issuer holding the reserve assets. The issuer bears the risk and cost of issuing the token and managing the reserves, yet hands more than half of the resulting income to the partner that holds the user touchpoint. Issuance may be regarded as the nominal source of the revenue and distribution as the place it actually accrues.

Consider the question one step further. If a substantial share of the issuer's revenue accrues to the distributor, how is the distributor's own revenue structured? Coinbase, whose results are fully disclosed, recorded annual revenue of approximately $6.6 billion in 2024. The stablecoin allocation received from Circle was roughly $900 million, or one seventh of that total. The remainder consisted of revenue arising directly at the user touchpoint, including approximately $4 billion in trading fees and $700 million in staking rewards, along with custody and subscription revenue, interest on customer deposits, and fees from its own chain, Base.[34] The same amount represents half of total revenue to the issuer and no more than one among several revenue sources to the distributor. Coinbase also pays a substantial portion of the allocation it receives back out as rewards to USDC holders, thereby growing the outstanding balance. The amount currently allocated to the distributor

[32] Tether. (May 1, 2026), cited above.

[33] Ved, T. (June 24, 2025), cited above.

[34] Coinbase Global. (February 13, 2025). *Shareholder Letter, Fourth Quarter and Full Year 2024*. https://investor.coinbase.com/financials/quarterly-results/. Of approximately $6.6 billion in annual revenue for 2024, trading fees accounted for approximately $4 billion and subscription and services revenue for approximately $2.3 billion, the latter comprising stablecoin revenue of approximately $910 million, staking rewards of approximately $680 million, and custody and interest income among others. The stablecoin revenue is consistent with the approximately $908 million paid to Coinbase that Circle disclosed in its registration statement, cited above.

therefore appears to function less as profit consumed than as a source of reinvestment that increases the next allocation through growth in that balance.

This relationship is not confined to the case of USDC. Where the bilateral contract between Circle and Coinbase handed more than half of the reserve income to distribution, the Global Dollar Network launched by Paxos at the end of 2024 extended the structure into a multilateral network allocating roughly 97 percent of reserve income to distribution partners,[35] and in 2025 Hyperliquid put the issuance right to its own stablecoin USDH out to competitive tender on terms of revenue sharing.[36]

By the time of Open USD in June 2026, discussed in Chapter 2, the form that had emerged was an industry standard in which the distribution camp as a whole hollows out issuance and divides most of the income. The margin on issuance has been eliminated in stages, moving from contract to network, then through auction to standard.

Whether this direction will win the market's endorsement remains uncertain. The Global Dollar Network, which allocated 97 percent, stood at roughly $3 billion a year and a half later, about one twenty-fifth the size of USDC. USDH, whose issuer was selected by auction, entered a phased wind-down after eight months and returned its position to USDC. And the success or failure of payment consortia formed among many participants has turned on whether decision-making is concentrated rather than on the rules of allocation.[37] The possibility that allocation rates cannot substitute for the network effects of liquidity therefore warrants consideration, and Chapter 9 takes this up in the discussion of design.

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[35] Paxos. (November 4, 2024). *Introducing Global Dollar Network* [Press release]. https://www.paxos.com/newsroom/introducing-global-dollar-network-an-open-network-to-accelerate-and-reward-global-stablecoin-adoption-driven-by-anchorage-digital-bullish-galaxy-digital-kraken-nuvei-paxos-and-robinhood. Participants including Anchorage Digital, Bullish, Galaxy Digital, Kraken, Nuvei, and Robinhood receive an allocation of approximately 97 percent of the reserve income on the stablecoin USDG. USDG in circulation stood at approximately $3 billion as of mid-2026 (CoinMarketCap, accessed July 2026).

[36] The right to issue Hyperliquid's stablecoin USDH was awarded to Native Markets over Paxos and others in a competitive tender conducted by validator vote in September 2025. The Block. (September 14, 2025). *Native Markets team wins Hyperliquid USDH stablecoin bid*. https://www.theblock.co/post/370570/native-markets-team-wins-hyperliquid-usdh-stablecoin-bid-eyes-test-phase-within-days. In May 2026, however, Native Markets announced a phased discontinuation of USDH and a migration to USDC. Native Markets. (2026). *A new era for Hyperliquid stablecoins*. https://usdh.com/migration.

[37] Zelle, the account-to-account transfer network in the United States operated by an entity owned by a small number of large banks, has established itself at a scale of one trillion dollars annually. Libra, later Diem, the Facebook-led project that set out with a target of 100 members, disbanded in early 2022 without a public launch amid regulatory resistance and the departure of founding members. For the argument that what matters in consortium-based payment ventures is governance rather than the design of revenue, see PYMNTS. (July 2026). *Open USD's Biggest Challenge Isn't Circle or Tether — It's History*. https://www.pymnts.com/cryptocurrency/2026/open-usds-biggest-challenge-isnt-circle-or-tether-its-history/

3.3 The Paradox of the Prohibition on Interest Payments

The regulation of interest payments on stablecoins also warrants examination. The GENIUS Act prohibits issuers from paying interest or yield to holders.[38] This is understood as intended to prevent an outflow of bank deposits and to keep stablecoins from turning into de facto deposit-taking products. Its structural effect, however, appears separately from that legislative intent, in the division of revenue between issuance and distribution.

If an issuer cannot pay interest to users, it loses the means of competing on price. The party an issuer can then turn to first in seeking to widen its share is the distribution partner that holds the user, and the issuer can secure distribution by allocating reserve income to that partner. The prohibition on interest payments thus has the effect of redirecting to distribution partners the income that issuers are barred from returning to users.

The discussion of the narrow bank in Chapter 1 applies directly here. A pure means of payment that holds only safe assets and performs no maturity transformation gains stability at the price of forgoing the revenue that comes from credit creation. A stablecoin issuer barred even from paying interest is the closest form to this narrow bank, and its sources of revenue are structurally limited. In the United States, a bank actually attempted to incorporate on the premise that it would take deposits, place the entire amount with a Federal Reserve Bank, and operate solely on the interest the central bank pays.

The Federal Reserve Bank, however, kept the account application under review for years without granting it, and the suit brought to contest this was dismissed without a ruling on the merits. This case, in which a narrow bank sought to secure revenue by holding an account directly at the central bank only to have its application delayed and its suit dismissed, attests to the existence of real institutional barriers in this area.[39]

Consider again the reserve management layer, the fourth layer of the value chain set out in Chapter 1. What defines that layer is not the act of managing assets itself. As shown above, the substance of the issuance business is already the management of short-term Treasury securities. What separates the layers is the legal form through which the income from that management can be passed to holders.

[38] White House. (July 18, 2025), cited above.

[39] Tobin (1987), cited above; Pennacchi (2012), cited above; TNB USA Inc. v. Federal Reserve Bank of New York, cited above.

A stablecoin, as a means of payment, cannot pay interest, whereas a tokenized Treasury fund taking the form of a security can. Prohibited interest therefore does not disappear. It migrates into an adjacent form. That USYC, the largest product in this market, is managed by Circle, the issuer of USDC, suggests two things.[40]

First, just as Circle expanded into the settlement layer through Arc in Chapter 2, the same movement of an issuer unable to secure economic rent through issuance alone into an adjacent layer is confirmed in reserve management. Second, USYC is designed to be redeemable into USDC on a near real-time basis, which lowers the cost for institutional funds of moving between a payment token and a yield token. The smoother the conversion between the two forms becomes, the more readily the prohibition on interest payments by issuers loses its substance. For the regulation of interest to have effect, it must therefore address not only the issuer as a subject but the function of conversion between forms, a point taken up in the design discussion in Chapter 9.

The scope of the prohibition is itself unclear and warrants examination. Some observers note that the allocation of reserve income Circle pays to Coinbase in proportion to USDC holdings amounts in substance to a payment of yield tied to holdings and may therefore run afoul of the statute's prohibition on interest payments.[41] The Comptroller of the Currency's proposed rule in fact points toward presuming a violation where payment is made through affiliates or related third parties. Should this close off the route for allocating income, issuers would lose even the path of allocating income to distribution partners and would have to attract users by means other than interest. Economic rent would then shift further toward the layers holding the user touchpoint and settlement.

An analysis by the Council of Economic Advisers of the effects of this prohibition estimates that barring interest payments on stablecoins increases bank lending by only about $2.1 billion while

[40] USYC is designed as an institutional product offering near real-time redemption into USDC, with a minimum investment of $100,000. See Circle. *USYC: Tokenized Money Market Fund*. https://www.circle.com/usyc

[41] Reiners, L. (December 11, 2025). *Circle, Coinbase, and the Prohibition on Interest Under the GENIUS Act*. Columbia Law School Blue Sky Blog. https://clsbluesky.law.columbia.edu/2025/12/11/circle-coinbase-and-the-prohibition-on-interest-under-the-genius-act/. The analysis holds that, insofar as Coinbase is regarded as a holder of USDC, an allocation of income in proportion to holdings may run afoul of Section 4(a)(11) of the Act. On the proposed rule of the Comptroller of the Currency extending this prohibition to affiliates and related third parties as a rebuttable presumption, see Mills, D., Shtylman, S., & Viviano, J. (March 5, 2026). *Stablecoin Interest, Yield, and Rewards: OCC Proposes Sweeping Regulations Under the GENIUS Act*. Ashurst Perkins Coie. https://www.jdsupra.com/legalnews/stablecoin-interest-yield-and-rewards-2333108/

imposing a net welfare cost on consumers of roughly $800 million.[42] This suggests that the prohibition may be less a safeguard for financial stability than a regulation whose burden is passed on to users.

3.4 Dependence on Interest Rates

Finally, reserve income is subject to interest rates the issuer does not control. As Chapter 1 showed, Circle's reserve yield fell 66 basis points year over year in the first quarter of 2026.[43] Total revenue did not decline, thanks to a 28 percent increase in outstanding issuance, but this is merely the result of balance growth masking the fall in rates. In a phase where rates fall further and balance growth also slows, that offset does not operate. Issuer profitability is tied to macroeconomic variables the operator cannot control.

3.5 Implications for Korean Issuers

Apply this analysis to the debate over issuing a won stablecoin. Even if Korea succeeds in designating an issuer and issuing a won stablecoin, the three constraints described above apply in full to the revenue that issuer enjoys. (1) That revenue is subject to the interest rates applied to the management of reserve assets and will fluctuate with the monetary policy of the Bank of Korea. (2) Where the revenue accrues is determined by the contract with the distribution operator that holds the user touchpoint. (3) The route of competing by paying interest to users is likewise closed if Korea adopts a prohibition on interest payments comparable to that of the GENIUS Act.

The position the won occupies at the issuance layer does not, in itself, guarantee defensible economic rent. Korean debate nonetheless remains fixed on who will occupy that position. Issuance is of course the threshold question for the won stablecoin value chain, and the debate around it deserves to be conducted with sufficient depth. The next chapter turns to what that debate actually looks like, namely the competition among banks, fintechs, and exchanges over issuance.

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[42] Council of Economic Advisers, The White House. (April 8, 2026). *Effects of Stablecoin Yield Prohibition on Bank Lending*. https://www.whitehouse.gov/research/2026/04/effects-of-stablecoin-yield-prohibition-on-bank-lending/. The analysis estimates the effect of the interest prohibition on bank lending at approximately $2.1 billion, or 0.02 percent of total lending, against a net welfare cost to consumers of approximately $800 million, and concludes that costs and benefits are not in balance.

[43] Circle Internet Group. (May 11, 2026), press release cited above.

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Reserve income, the only substantive revenue source available to issuers, is large in scale but structurally weak. More than half of that income passes through distribution agreements to the partner holding the user touchpoint. Of total revenue of approximately $1.676 billion in 2024, Circle paid roughly $908 million to Coinbase. The prohibition on interest payments under the GENIUS Act blocks price competition by issuers and channels that income back to distribution, and the reserve yield itself is subject to interest rates the issuer does not control.

The structure of accrual has been institutionalized in stages, moving from bilateral contract in the case of Circle and Coinbase, to multilateral allocation in the Global Dollar Network, to the auction of issuance rights in the case of USDH, to the collective hollowing out of the industry in Open USD. Even if Korea prevails in the competition over who will issue, that issuer inherits these three constraints intact.

Chapter 4. The Misalignment Between Korea's Issuance Competition and the Structure of Economic Rent

Chapters 1 through 3 established that economic rent in stablecoins accrues to settlement and distribution rather than to issuance, and that even the reserve income of issuers is structurally weak. This chapter sets that analysis against conditions in Korea and examines how the domestic competition over a won stablecoin is misaligned with the place where economic rent arises.

4.1 The Competition Surrounding Issuing Entities

In the first half of 2026 the Korean financial sector realigned rapidly around the issuance of a won stablecoin. That realignment proceeded largely around two camps.

One camp is the combination of a bank and an exchange. In May 2026 Hana Bank, part of Hana Financial Group, acquired approximately 6.55 percent of Dunamu, the largest domestic digital asset exchange, for roughly one trillion won, becoming its fourth-largest shareholder.[44] This is the largest investment a commercial bank has made in a single digital asset firm, and it appears to be an attempt to bind issuance, held by the bank, and distribution, held by the exchange, within a single camp. The other camp is the combination of a bank, a fintech, and a card company. KB Kookmin Bank, Toss, and Samsung Card have been reported to be in discussions over joint issuance, though this is confirmed to be at the stage of discussion and has not reached formal announcement.[45]

[44] Block Media. (May 15, 2026). Hana Financial stakes one trillion won: moving with Naver and Dunamu to command the won stablecoin. https://www.blockmedia.co.kr/archives/1092609; Newspim. (May 15, 2026). Inside the one-trillion-won alliance of Hana Financial and Dunamu. https://www.newspim.com/news/view/20260515000434. By board resolution, Hana Bank acquired the 6.55 percent stake in Dunamu held by Kakao Investment, amounting to 2,284,000 shares, for approximately 1.0033 trillion won, becoming its fourth-largest shareholder. The contracting party is Hana Bank, not Hana Financial Group.

[45] Yoon, Y. S. (January 26, 2026). *KB Kookmin, Toss, Samsung Card Push Triangular Alliance on Won Stablecoin*. BusinessKorea. https://www.businesskorea.co.kr/news/articleView.html?idxno=261681. The report describes a stage of discussion rather than a formal agreement or announcement. As of early July 2026 nothing had been officially confirmed, and Samsung Card's participation has not been reconfirmed in subsequent reporting.

Separately, the banking sector has coalesced around the Open Blockchain and DID Association (OBDIA). As of August 2025 the participating banks numbered thirteen, and the association established a stablecoin ecosystem subcommittee bringing in payment, distribution, and IT firms.[46]

Big tech has joined as well. In April 2026 KakaoBank announced that it would lead issuance and distribution within a consortium formed with Kakao and KakaoPay. KakaoPay, for its part, set out a plan under which the Kakao consortium would handle issuance and infrastructure while KakaoPay itself would handle distribution.[47] Toss is pursuing issuance and distribution simultaneously and has proposed a large-scale rollout of offline payment terminals.[48] Naver Financial is pursuing a share exchange to bring Dunamu in as a subsidiary.[49] These moves differ in their actors and their alignments, but the focus of the competition is directed first and foremost at who will issue.

4.2 The Focus of Regulatory Debate: Eligibility to Issue

This overheated competition is bound up with the regulatory debate. The Bank of Korea has argued, on grounds of financial stability, for confining issuance to entities in which banks hold a majority stake, the so-called 50 percent plus one share requirement, and this requirement is being given considerable weight in the ruling party's deliberations on legislation. The Financial Services Commission has taken a relatively cautious position, concerned that technology firms would be

[46] Electronic Times. (August 26, 2025). OBDIA, with thirteen member banks, establishes a stablecoin ecosystem subcommittee. https://www.etnews.com/20250826000216. Thirteen banks including KB Kookmin, Shinhan, Woori, Hana, and NH NongHyup take part, along with the Korea Financial Telecommunications and Clearings Institute.

[47] News1. (April 8, 2026). KakaoBank: "We will lead the issuance and distribution of stablecoins, and explore M&A if necessary." https://www.news1.kr/finance/general-finance/6129768; Financial News. (May 6, 2026). KakaoPay: "We will take the won stablecoin from issuance infrastructure through to distribution." https://www.fnnews.com/news/202605061716245196.

[48] ZDNet Korea. (March 12, 2026). Toss signals entry into the won stablecoin: "We will do both issuance and distribution." https://zdnet.co.kr/view/?no=20260312185525; ZDNet Korea. (May 26, 2026). Toss forms a consortium with banks and e-commerce. https://zdnet.co.kr/view/?no=20260526140815. Toss Place plans to deploy 500,000 payment terminals by the end of 2026 and 700,000 by 2027.

[49] On November 26, 2025, the boards of Naver Financial and Dunamu resolved on a comprehensive share exchange to bring Dunamu in as a wholly owned subsidiary. The shareholders' meeting was postponed twice, owing to the Fair Trade Commission's review of the business combination and delays in digital asset legislation, and was moved to November 19, 2026, with the share exchange date moved to December 31 of that year. MS Today. (November 26, 2025). https://www.mstoday.co.kr/news/articleView.html?idxno=99680; Seoul Economic Daily. (March 30, 2026). https://www.sedaily.com/article/20026033. The disclosure of the second postponement is dated July 6, 2026, as reported by Money Today and Etoday. On the point that, should Dunamu be brought into the Naver group, the listing on Upbit of a stablecoin issued by an affiliate could run afoul of restrictions on assets issued by specially related parties, see Green Economy News. (May 13, 2026). https://www.greened.kr/news/articleView.html?idxno=340609

discouraged from participating.[50] The four digital asset bills pending before the National Assembly's National Policy Committee likewise take issuance licensing, the accumulation and management of reserve assets, disclosure, and redemption as their core structure, and their contested points center on eligibility to issue.[51] The large-scale erroneous payout incident at Bithumb in February 2026 highlighted the operational risks of exchanges and is assessed to have strengthened the case for bank-centered issuance.[52]

With the National Policy Committee's review of the bills falling through in the first half of 2026, legislation remains at an impasse. The Bank of Korea's position is said to have softened somewhat since Governor Hyun Song Shin took office, but the disagreement over who may issue has not been resolved.[53] Separately, the deposit token experiment the Bank of Korea has conducted with the banking sector, known as Project Hangang, represents another route to digital settlement in won. It lies outside the scope of this report, which addresses the licensing design for privately issued stablecoins, and is noted here only for its existence and its complementary relationship to that subject.[54]

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[50] Financial News. (April 13, 2026). The Bank of Korea sketches out the won stablecoin, fixing on bank-centered issuance. https://www.fnnews.com/news/202604131827509306; Global Economic. (March 12, 2026). https://www.g-enews.com/article/Finance/2026/03/202603121622254125a6e8311f64_1. The so-called 51 percent requirement, confining the issuing entity to a consortium in which banks hold a majority stake of 50 percent plus one share, is the structure the Bank of Korea has argued for on grounds of financial stability, and it is being given considerable weight in the ruling party's deliberations on legislation.

[51] As of June 2026, four bills were pending before the First Bill Review Subcommittee of the National Assembly's National Policy Committee: the Framework Act on Digital Assets bill introduced by Representative Min Byung-duk (introduced June 11, 2025, bill no. 2210736), the bill of Representative Ahn Do-geol on the issuance and distribution of value-stable digital assets, the bill of Representative Kim Eun-hye on payment innovation using value-fixed digital assets, and the bill of Representative Kim Hyun-jung on the business of issuing value-stable digital assets.

The four bills share a common structure of licensing for issuers, the accumulation and management of reserve assets, disclosure and redemption, and supervision by the Financial Services Commission, but differ on the requirements for the issuing entity, the scope of application, and the treatment of foreign-issued assets. See E-Focus. (2026). Four digital asset framework bills pending before the National Policy Committee subcommittee. https://www.e-focus.co.kr/news/articleView.html?idxno=3002247

[52] Dealsite. (February 6, 2026). A 2,000-won event becomes a 60-trillion-won controversy. https://dealsite.co.kr/articles/156633; News1. (February 20, 2026). With the Bank of Korea also warning after the Bithumb incident, is bank-centered stablecoin issuance gaining ground? https://www.news1.kr/finance/blockchain-fintech/6076682. On February 6, 2026, Bithumb erroneously paid event winnings in units of bitcoin rather than won, but blocked trading within 35 minutes and recovered more than 99 percent. The Bank of Korea characterized the essence of the incident as an absence of internal controls and lent weight to the case for bank-centered issuance, noting that similar operational failures are possible with a won stablecoin.

[53] Financial News. (June 15, 2026). With the local elections over, can the Framework Act on Digital Assets pass this year? https://www.fnnews.com/news/202606151454432021; Financial News. (April 17, 2026). Hyun Song Shin shifts toward coexistence with stablecoins. https://www.fnnews.com/news/202604171014159235. At his confirmation hearing on April 15, 2026, Bank of Korea Governor Hyun Song Shin stated that a won stablecoin could coexist with the future monetary ecosystem in a complementary and competitive relationship, marking a shift from his previously skeptical position.

[54] The Bank of Korea conducted the first live transaction test of Project Hangang, its deposit token experiment, with seven banks in the first half of 2025, involving approximately 80,000 electronic wallets and approximately 110,000 transactions. Resuming a second phase in March 2026 after a temporary suspension, it increased the number of participating banks to

Korea's regulatory debate is thus fixed on the question of who is qualified to issue. That question matters in itself, but in light of the analysis in Chapters 1 through 3 it is a contest over the position in the value chain that is hardest to defend. The debate abroad has already moved to the next stage. 群雄割據(Gununghalgeo). Many warlords carve up the land, each holding his own ground, and countless operators are now contending for position in just this way.

4.3 The Vacuum in Settlement and Distribution

The troubling point is that competition at the settlement and reserve management layers does not stop even if the issuance of a won stablecoin is delayed. Innovators seeking to do business in Korea can grow only in the phase that follows the establishment of domestic issuance regulation, passing through many attempts, failures, and innovations along the way. Meanwhile it is easy to picture foreign innovators entering Korea with ease, carrying competitive strength honed through a long process of trial and error.

Who, then, is building the chokepoints of settlement while competition over issuance runs hot? In Korea they stand effectively empty, and digital settlement in won is already taking place on foreign foundations.

The clearest case is KRWQ. This won-linked stablecoin was issued offshore in October 2025 by Brainpower Labs, a Cayman Islands entity. In early April 2026 EDXM International, the global arm of the Citadel Securities-backed EDX Markets, listed perpetual futures that track won exposure and settle in USDC.[55]

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nine and introduced peer-to-peer transfers. On July 15 of that year, the Financial Services Commission designated Kyongnam Bank and iM Bank as new participants and amended the designations of the existing seven banks, approving the nine-bank structure and the transfer function.

Bank of Korea. (March 18, 2026). Plan for the second phase of Project Hangang. https://www.bok.or.kr/portal/bbs/B0000502/view.do?menuNo=201265&nttId=10097017; Financial Services Commission. (July 15, 2026). Designation and amendment materials for the relevant innovative financial services. https://www.fsc.go.kr/po010101/87338

[55] Herald Business. (April 7, 2026). U.S. won stablecoin futures are symbolic: expansion beyond payments into capital markets. https://biz.heraldcorp.com/article/10712588; EDX Markets. (April 2026). *KRWQ launches world's first KRW stablecoin perpetual futures on EDXM International* [Press release]. https://edxmarkets.com/krwq-launches-worlds-first-krw-stablecoin-perpetual-futures-on-edxm-international/. KRWQ is a won-linked stablecoin issued offshore in October 2025 by Brainpower Labs, a Cayman Islands entity, whose reserve assets include tokenized Korean government bonds held in custody by Shinhan Securities. KRWQ spot was listed on EDX Markets on April 14, 2026.

The issuance and trading of a won stablecoin have thus moved offshore while domestic legislation lags. The absence of regulation is resulting not in the disappearance of the market but in its relocation offshore.

The position of domestic operators is no different. KRW1, the won stablecoin of BDACS, was deployed multichain on foreign payment foundations including Avalanche, Polygon, and BNB Chain, with expansion to Circle's Arc also under way.[56] Danal completed a technical proof of concept for Korea-Japan remittance using Circle's USDC together with Shinhan Bank, and a multilateral Korea-Japan remittance trial involving Shinhan Bank and others was conducted on the platform of Japan's Progmat.[57] Insofar as won stablecoins exist, they are for the most part processed on settlement networks that are foreign-owned or dollar-denominated.

Open USD, at the end of June 2026, appears to show how far this has gone. On the participant list of the joint issuance vehicle discussed in Chapter 2, thirteen Korean companies appeared, including Shinhan Financial Group, Samsung Electronics and Samsung Card, the card affiliates of KB Kookmin, Hana, Woori, and NH NongHyup, Hyundai Card and BC Card, Hanwha Life, KakaoBank and K Bank, and Dunamu.[58] Immediately after the announcement, however, Samsung Electronics denied participating, stating that no formal discussions had taken place, while Shinhan Financial Group, Dunamu, and K Bank explained that they had merely indicated a willingness to review the matter and had been announced as partners regardless.[59]

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[56] BDACS's KRW1 was first issued on Avalanche in September 2025 and subsequently deployed to Polygon and BNB Chain. A memorandum of understanding on expansion to Circle's Arc was signed in October 2025. The collateral bank for the reserve assets is Woori Bank. ZDNet Korea. (September 18, 2025). https://zdnet.co.kr/view/?no=20250918165211; Cointelegraph. (2025). *South Korea's BDACS to bring KRW1 stablecoin to Circle's Arc*. https://cointelegraph.com/news/south-korea-bdacs-krw1-stablecoin-circle-arc

[57] Etoday. (February 6, 2026). Danal secures a next-generation pipeline surpassing SWIFT: first domestic proof of concept for a USDC remittance process with Shinhan Bank. https://www.etoday.co.kr/news/view/2553999; The Korea Times. (September 16, 2025). *Korea-Japan stablecoin remittance trial successfully concludes 1st phase*. https://www.koreatimes.co.kr/business/banking-finance/20250916/korea-japan-stablecoin-remittance-trial-succesfully-concludes-1st-phase. The former is at the stage of proof of concept rather than commercial operation, and the core infrastructure of the latter, Project Pax, is the Japanese Progmat platform.

[58] Electronic Times. (July 1, 2026). OUSD shakes up the dollar stablecoin landscape, with Samsung, Shinhan, and Dunamu taking part. https://www.etnews.com/20260701000596; Seoul Economic Daily. (July 2, 2026). Amid delays to the won stablecoin, thirteen Korean companies join the dollar coin alliance. https://www.sedaily.com/article/20062649

[59] ChosunBiz. (July 3, 2026). The "global alliance" stablecoin OUSD, with some companies saying there were no discussions. https://biz.chosun.com/stock/finance/2026/07/03/G7LCFCC3DRC5NHEARXPGWQGY5E/. As of early July 2026, Open Standard had issued no official position on these clarifications and had not corrected its list of participants.

The commotion itself, with listings and denials crossing, is not without significance. The global distribution camp is counting Korea's major financial firms and corporations within the outer reach of the dollar alliance. Korean firms, for their part, appear to be knocking at that door while shrinking from public commitment under the gaze of domestic regulators. While the domestic regime has failed to open options on the won side, the options on the dollar side have arrived first.

Movement in the opposite direction is of course not absent in Korea. Some camps preparing to issue are simultaneously building their own chains capable of managing settlement and distribution. Kaia, of the Kakao and LINE lineage, launched a technical alliance for the issuance and distribution of a won stablecoin in September 2025, putting its own mainnet forward as the foundation. Toss is building a dedicated layer 2 at the consortium level, and Dunamu is considering the use of Giwa Chain, the layer 2 it operates.[60]

These moves touch on the concern of this report in that they seek to fill the vacant settlement layer with domestic capital. But as Chapter 6 shows, economic rent in settlement arises not from technical ownership of the rails but from the liquidity and standards that accumulate on top of them. A domestic-only chain cut off from global liquidity risks isolating its own specifications before it has had a chance to grow. What matters is not holding a chain but securing interoperability standards and abundant liquidity. Chapter 9 returns to this point.

While Korea contests issuance, the settlement chokepoints where economic rent arises are passing to foreign operators such as Stripe, Circle, and Visa, and a won stablecoin is likely to end up as one more token processed on top of them.

[60] Electronic Times. (September 22, 2025). Kaia launches K-STAR, a technical alliance for the issuance and distribution of a won stablecoin. https://www.etnews.com/20250922000218; Dealsite. (January 30, 2026). Wemade launches StableNet, a mainnet for a won stablecoin. https://dealsite.co.kr/articles/155990; ZDNet Korea. (May 26, 2026). Toss forms a consortium with banks and e-commerce, cited above; Financial News. (May 4, 2026). https://www.fnnews.com/news/202605040615128246, on the cross-border remittance trial involving Dunamu's Giwa Chain and Hana Financial Group.

4.4 Implications

In Korea, who should issue a won stablecoin is actively debated, while who should build the chokepoints of settlement lies outside the debate, and those chokepoints stand empty or are already held by foreign parties. Whichever camp wins the issuance competition, what the winner gains is the fragile economic rent described in Chapter 3.

Positions whose ownership has yet to be settled nonetheless remain. Settlement between firms and payment for tokenized assets are among them, and among these the agentic economy stands out as one of the stages where the default settlement currency is forming most rapidly. Unlike general-purpose payments, where the chokepoints of settlement are already hardening, the standard for payments by artificial intelligence agents has not yet been fixed. Part II therefore analyzes this stage closely and examines where room remains for the won to secure a place of its own, however late. This is not to say that the agentic economy is the only path open to the won. It is to begin with the place where, among the several positions still open, the window for claiming the standard is most clearly visible.

NOTES

In the first half of 2026, competition in Korea has run hot around the question of who will issue. The regulatory debate is likewise fixed on the eligibility of issuers, caught between the 51 percent bank requirement and a licensing regime.

The chokepoints of settlement stand empty in the meantime. Digital settlement in won already takes place offshore, in the case of KRWQ, and on foreign foundations, as with KRW1 and the Korea-Japan remittance trials. The proprietary chains being built by some camps are an attempt to fill that vacuum, but what matters is not holding the rails. It is interoperability standards and the connection to liquidity.

Part II:
Which Currency Does the Agentic Economy Settle In?

Chapter 5. Payments in the Agentic Economy and Convergence on the Dollar Stablecoin

As the introduction noted, whether the won exists as a unit of digital settlement will not be decided on a single stage. There is ordinary payment between people. There is settlement between firms and payment for tokenized assets. And there is the agentic economy, in which artificial intelligence agents carry out payments on their own.

Part I showed that in ordinary payments the chokepoints of settlement are already being consolidated by a small number of global operators, and that Korea is contesting issuance rather than those chokepoints. This chapter turns to the agentic economy, the stage among these where the standard is forming earliest and fastest, and examines the currency in which its payments are settled.

5.1 Payments in the Agentic Economy

Over 2025 and 2026, artificial intelligence agents have been moving from tools that follow human instructions to actors that search for information, purchase materials, and use services on their own under a given objective. Payment follows from such autonomous conduct, because an agent that wishes to use external data, computation, or applications must pay for them.

Existing payment instruments appear ill-suited to bearing payments of this kind. First, credit cards and bank transfers are issued and opened on the premise that a natural or legal person has been identified, so an agent without legal personality cannot readily be the subject of a payment in its own right. Second, card payments carry a fixed fee per transaction, and that floor will in many cases exceed the size of the transactions agents carry out. One analysis found that roughly 76 percent of transactions executed by agents were micropayments falling below $0.30, the customary fixed-fee threshold for cards.[61] Third, card networks rest on a structure of after-the-fact dispute and reversal, the chargeback, premised on human objection and refund, which is at odds with a machine payment flow that executes many transactions per second without human intervention. Fourth, settlement of cards and account transfers is finalized after a lag of several days, whereas agent transactions

[61] The analysis finding that roughly 76 percent of agent transactions fall below the card fixed-fee threshold of $0.30 is from Keyrock, Coinbase, Tempo, and Virtuals Protocol (2026), report cited above. The $0.30 threshold is derived from the standard rates of card networks such as Visa and of payment service providers, for example 2.9 percent plus $0.30 per online transaction.

demand immediate and continuous finality. A structure in which a transaction paying $0.05 for a single application call incurs a $0.30 fee and a settlement delay of several days does not hold.

Stablecoins are comparatively free of these four constraints. Anything with a wallet address, whether human or machine, can be the subject of a payment. Amounts of less than a cent can be sent. And a transaction is effectively final the moment it is recorded in a block, without any after-the-fact dispute procedure. That payments in the agentic economy are moving toward stablecoins arises less from technical preference than from the structural unsuitability of existing instruments.

5.2 Convergence Toward the Dollar Stablecoin

That payments in the agentic economy are moving toward stablecoins and the question of which currency's stablecoin those payments settle in are two different matters.

According to a joint report by Keyrock, Coinbase, Tempo, and Virtuals Protocol, companies with direct interests in the issuance and distribution of USDC, of approximately 176 million on-chain payments executed by artificial intelligence agents between May 2025 and April 2026, 98.6 percent by transaction count settled in the dollar stablecoin USDC. The average payment was $0.31 to $0.48 per transaction, and the median only $0.01 to $0.10. These figures are limited to a sample of x402 payments rather than all artificial intelligence agent payments. They may include ordinary users, API calls, and test transactions, and they cannot be compared directly with the Visa-Artemis adjusted figures, which use different filters and reference dates. Chapter 8 takes this up.[62]

Various causes can be identified for such concentration in a single currency, among them the currency's reserve status. The factor operating most strongly at present, however, appears to be that the development environment for on-chain agent payments takes the dollar stablecoin as its default. The x402 standard put forward by Coinbase presumes USDC as its base settlement asset. Google's Agent Payments Protocol (AP2) and the Machine Payments Protocol of Stripe and Tempo profess neutrality as to payment instrument, encompassing cards and account transfers, but at the on-chain

[62] Keyrock, Coinbase, Tempo, and Virtuals Protocol. (May 2026), report cited above. Counterarguments concerning the size of the sample, the substantiality of the transactions, and the risks arising from concentration in a single issuer are examined in Chapter 8.

payment channel USDC again occupies the default position, as the x402 extension of AP2 shows.[63] For a developer building an agent, adopting a stablecoin in another currency requires more than comparing prices. It requires departing from protocols steadily validated by the relevant developer community and rebuilding the foundations of development.[64] The inertia of an asset set as the default is therefore considerable. That inertia grows further where development is largely delegated to artificial intelligence, with the developer supplying only API documentation, or not even that, leaving the model to search the internet and implement accordingly, as is increasingly common. Paradoxically, as the cost of execution falls, the force of an agreed standard may grow stronger.

Established payment operators appear to be moving in the same direction. Stripe made the first move on March 18, 2026, releasing the Machine Payments Protocol alongside the launch of the Tempo mainnet, and on June 10 Mastercard and Visa followed in step. Mastercard unveiled Agent Pay for Machines, which supports machine-to-machine payments, listing Coinbase, Ripple, and Stripe among its partners, while Visa announced an expansion of its agentic commerce platform at its own payments forum.[65]

Visa's stablecoin settlement volume, meanwhile, stood at an annualized $7 billion as of the April 2026 announcement, modest in absolute terms but roughly half again the previous quarter's figure.[66] These announcements, coming one after another within three months, show active competition to claim the payment standard of the agentic economy.

It bears noting that this default remains fluid at the level of brand. Stripe has stated that it will make Open USD, the joint stablecoin discussed in Chapter 2, the default for businesses using stablecoins on

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[63] Coinbase Developer Documentation. *x402*. https://docs.cdp.coinbase.com/x402/. x402 is optimized for assets supporting EIP-3009, including USDC, and also supports arbitrary ERC-20 tokens. Google's AP2 is a payment-agnostic protocol encompassing cards, account transfers, and stablecoins, but its crypto-asset payment extension, A2A x402, developed in cooperation with Coinbase, takes USDC as its default. See Google Cloud. (September 2025). *Announcing Agent Payments Protocol (AP2)*.

[64] Developers may of course make use of protocols or ecosystems that others have built on x402. On EVM, arbitrary ERC-20 tokens can be used through Permit2, while assets supporting EIP-3009, such as USDC and EURC, operate more simply without a separate approval step. Google's AP2 is a payment-agnostic framework covering cards, account transfers, and stablecoins, and the MPP of Stripe and Tempo likewise supports stablecoins alongside cards and deferred payment. Independently of this, however, the inertial force of the established default appears considerable.

[65] Mastercard. (June 10, 2026). *Mastercard launches Agent Pay for Machines* [Press release]. https://www.mastercard.com/us/en/news-and-trends/press/2026/june/mastercard-launches-agent-pay-for-machines.html. See also the report in CoinDesk, June 10, 2026, https://www.coindesk.com/business/2026/06/10/mastercard-prepares-for-a-future-where-ai-agents-make-payments-with-latest-introduction; Visa. (June 10, 2026). Announcement at the Visa Payments Forum [Press release]. https://usa.visa.com/about-visa/newsroom/press-releases.releaseId.22491.html; Stripe. (March 18, 2026). *Machine Payments Protocol*. https://stripe.com/blog/machine-payments-protocol

[66] Visa. (April 29, 2026), press release cited above.

its platform.[67] Even the 98.6 percent position held by USDC is thus exposed to competition within the dollar. But this is not competition between currency units. The unit of pricing and of account remains the dollar even when the brand changes, and the more the distribution camp as a whole converges on dollar-denominated assets, the firmer the dollar becomes as a unit. Rails and brands can be switched. The currency unit appears far harder to change, and the next chapter examines why.

5.3 Interpreting Convergence: Inevitability or Path Dependence

For the sake of analytical rigor, one distinction is needed. The 98.6 percent figure is better understood as the product of path dependence shaped by initial conditions than as a result of any technical superiority of the dollar stablecoin. The developers who first built payments in the agentic economy were largely American firms, the development tools they used offered USDC as the default, and a market judgment had formed that USDC carried relatively low regulatory risk because its issuer publishes monthly reserve attestations. These three conditions together made choosing USDC the path of least resistance for developers.[68]

If convergence on the dollar were a technical inevitability, there would be effectively no room for the won to enter. But if it is the result of path dependence, that is, a matter of who entered first and under what conditions, then different choices remain possible in areas where the path has not yet fully hardened.

This possibility is constrained in two directions. One is that path dependence strengthens over time and becomes difficult to reverse, which Chapter 6 addresses. The other is that the agentic economy is still small in scale and its prospects are overstated, which Chapter 8 addresses. What this chapter has established goes no further than this. Payments in the agentic economy are converging on the dollar stablecoin rapidly, but that convergence is not yet complete.

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[67] Banking Dive. (July 1, 2026), article cited above. The statement is that of Will Gaybrick, President of Technology and Business at Stripe.

[68] This reading rests on the fact that Keyrock and others (2026) identified concentration in a single stablecoin as a centralization risk, and on the circumstance that the dominance of USDC has held despite attempts at entry by competing issuers. CoinDesk. (June 11, 2026). *Ripple wants AI agents to pay in XRP and RLUSD — the market is still mostly USDC*. https://www.coindesk.com/tech/2026/06/11/ripple-wants-ai-agents-to-pay-in-xrp-and-rlusd-the-market-is-still-mostly-usdc. The strength of the path dependence and its reversibility are examined again in Chapters 6 and 8.

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Payments by artificial intelligence agents involve micropayments at high frequency that card networks are ill-suited to bear, with roughly 76 percent of agent transactions falling below the floor of card fees, and they turn to stablecoins as a result.

USDC, a dollar stablecoin, accounts for 98.6 percent of those payments by transaction count, and the major payment protocols and established operators alike take the dollar as their default.

This convergence appears to be path dependence shaped by initial conditions rather than a technical inevitability, and it is distinguished from ordinary payments in that it is not yet complete. That competition between brands has begun within the dollar, USDC against Open USD, attests to this. But whichever way that competition tilts, the currency unit remains the dollar.

Chapter 6. Lock-In of the Default Settlement Currency: Network Effects and Path Dependence

The previous chapter showed that payments in the agentic economy are converging on the dollar stablecoin, that the convergence is the result of path dependence rather than technical inevitability, and that it is not yet complete. This means room remains for the won. It also means that room diminishes rapidly with time. This chapter examines briefly, through the relevant theory and precedents, how the default settlement currency hardens into place.

6.1 The Network Effects of Settlement Currency

Money and standards are the classic goods exhibiting network effects. The more participants price and pay in a given currency, the greater the benefit of using it and the higher the cost of moving to another. Liquidity calls forth liquidity, and standards call forth standards. Economics has long analyzed how, in structures of this kind, an initial and contingent choice hardens through increasing returns until an option that is not necessarily superior comes to dominate the market.[69] The QWERTY keyboard layout is the classic example.

This principle does not appear for the first time in the agentic economy. The process by which the dollar became the anchor of international trade and capital markets is itself the product of enormous network effects. Counterparties invoiced in dollars, those payments moved through dollar correspondent banking networks, and dollar-denominated capital markets accumulated on top of them, so that a cumulative advantage in which liquidity calls forth liquidity hardened over half a century. That the dollar sits on one side of most foreign exchange transactions today shows the strength of that inertia.[70] The competition over settlement currency in the agentic economy takes place within this gravitational field.

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[69] David, P. A. (1985). Clio and the economics of QWERTY. *American Economic Review, 75*(2), 332–337; Arthur, W. B. (1989). Competing technologies, increasing returns, and lock-In by historical events. *The Economic Journal, 99*(394), 116–131.

[70] Bank for International Settlements (BIS). (2025). *Triennial Central Bank Survey*. https://www.bis.org/statistics/rpfx25_fx.htm. In the April 2025 survey, published in September 2025, the U.S. dollar was on one side of approximately 89 percent of all foreign exchange transactions, up from 88.4 percent in the 2022 survey. The dollar's share in cross-border payments, trade invoicing, and foreign exchange reserves likewise far exceeds that of other currencies. This is a case of the network effects of money operating at the level of sovereign currency.

This is why attempts to displace the dollar in general markets are futile, and equally why a front on which to contend opens only in newly emerging areas that gravity has not yet fully reached. Among these, agent payments are the front where the standard is forming fastest.

For settlement currency these effects arise twofold. Entrenchment as a means of payment comes from the concentration of liquidity. Entrenchment as a unit for measuring value comes from the practice of pricing in that currency. Once a large number of services begin pricing in a particular currency, that currency becomes not only a means of payment but a measure of value, and at this stage departure ceases to be a matter of individual choice and becomes a coordination problem for the ecosystem as a whole.

6.2 The Path Dependence Demonstrated by Tron and USDT

How this entrenchment operates in stablecoins can be observed in the relationship between the Tron network and USDT. As of the end of the first quarter of 2026, approximately $85 billion sat on the Tron network, equal to roughly 46 percent of the total supply of USDT, and Tron accounts for approximately 27 percent of total stablecoin market capitalization.[71] The process by which Tron attained this position is straightforward. A cost advantage in the form of low fees led large centralized exchanges to adopt Tron as their default withdrawal network. Over-the-counter and peer-to-peer trading followed that choice. Liquidity concentrated on Tron as a result, and the cost advantage was reinforced in turn. Cost drove the initial choice. What made that choice hard to reverse was the concentration of liquidity.

What deserves attention here is that Tron did not attain this position because it was the technically superior foundation. Its market share appears to be the product of initial conditions and increasing returns to a substantial degree, and it appears structurally identical to the 98.6 percent concentration in USDC described in Chapter 5. Only the speed differs.

[71] CoinDesk Research. (2026). *Tron Network Q1 2026*. https://www.coindesk.com/research/tron-network-q1-2026. As of the end of the first quarter of 2026, USDT on the Tron network stood at approximately $85 billion, or roughly 46 percent of total supply, and Tron's share of total stablecoin market capitalization was approximately 27 percent, up from 26.7 percent in December 2025. Stablecoin payments processed on Tron in the same quarter were tallied at approximately $1.96 trillion.

6.3 Why Lock-In Accelerates in the Agentic Economy

Entrenchment of the settlement currency proceeds faster in the agentic economy than in payments made by people. Three reasons stand out.

1) It is inscribed in the standard. A person can choose a currency at each payment, whereas an agent's payments run on pricing, accounting, and settlement logic embedded in code. Changing the currency is not a matter of correcting a single configuration value. It means rebuilding the foundations of development. Moreover, as Chapter 5 showed, the on-chain settlement path of the major payment protocols presumes USDC as the default, so a developer who specifies nothing selects the dollar automatically. The inertia of the default is stronger than in payments made by people.

2) The speed and scale differ. Agent payments occur more frequently and more rapidly than human payments, so the concentration of liquidity and the entrenchment of the standard proceed correspondingly faster.

3) A collective action problem operates. The risk posed by concentration in a single issuer has already been noted, but for an individual developer it is rational to choose the asset with the deepest ecosystem liquidity and the richest development tooling. In a structure where each rational choice compounds into deeper concentration, knowing the risk of concentration is not enough to halt it.

Two somewhat different kinds of entrenchment are mixed together here. There is entrenchment in the rails on which settlement occurs, and entrenchment in the currency that serves as the unit of pricing and of account. The former can be worked around relatively easily through bridging and interoperability technologies. The latter, once it becomes the standard, is difficult to change without coordination across the entire ecosystem. Replacing the issuer is likewise closer to the former. As Hyperliquid's decision to wind down its own stablecoin and return to USDC, discussed in Chapter 3, illustrates, assets can be switched within the same currency, but departure from a currency unit is a problem of a different order, requiring the whole ecosystem to move together.

Recall the division of settlement into the two layers of infrastructure and currency in Chapter 1. The position the won can aim for, and the position that entrenches most firmly the moment it is established, are one and the same. It is this layer of the currency unit.

6.4 Implications: It Is Cheapest When Small

This analysis carries a paradoxical implication for the timing of the won's entry. The cost of inserting a new currency into the default of settlement is lowest when the market is small and the default has not yet hardened. Once the market has grown and the default has set, the moat of network effects deepens and the same undertaking costs far more. As shown above, once liquidity concentrates, the cost of reversing it grows to a level that cannot be borne.

Enter too early, however, and one may bet wrongly on a technical standard that has yet to be settled and be bound to that choice, or bear only the cost of growing the market and then cede the position to a later entrant arriving once the standard has come into focus. Japan's i-mode, which commercialized mobile internet earlier than anywhere in the world and was nonetheless confined to its own specifications and isolated as a Galápagos, illustrates that risk.[72] For the proposition that one should enter early to be justified, therefore, one condition is required. Entry must be cheap and reversible. The approach must not be one of staking large sums on a standard and becoming locked in, but one of testing small and being able to fold or scale quickly. Chapter 9 sets this out.

As Chapter 8 will discuss, the smallness of the market can be read two ways. It can serve as grounds for saying the market does not matter. It can equally serve as grounds for saying that now is the cheapest moment to enter. This report takes the latter reading, though that judgment rests on the premise that the agentic economy will in fact grow to a meaningful scale.

Inserting the won into the settlement currency of the agentic economy does not, however, reduce to the problem of laying payment foundations. There is a bottleneck to be resolved before that, and it lies not in payment but in the verification of identity. The next chapter takes this up.

[72] Commercialized by NTT DoCoMo in 1999, i-mode was an early mobile internet service that achieved great success within Japan but failed to spread abroad, resting on proprietary specifications at odds with international standards. It is cited as a leading case of what is called the Galápagos effect, in which a service leads in one market yet is isolated in the competition over standards. Kushida, K. E. (2011). Leading without followers: How politics and market dynamics trapped innovations in Japan's domestic "Galapagos" telecommunications sector. *Journal of Industry, Competition and Trade, 11*(3), 279–307.

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Settlement currency is a good exhibiting network effects, so an initial and contingent choice hardens through increasing returns. The relationship between Tron and USDT is the classic instance, and in the agentic economy this entrenchment appears likely to proceed faster still, owing to inscription in the standard, sheer speed, and a collective action problem.

Chapter 7. Verification of Agent Identity and Korea's Institutional Assets

Chapters 5 and 6 showed that payments in the agentic economy are converging on the dollar stablecoin and that the convergence is hardening rapidly, but that the default is not yet complete and room to enter remains. The means of payment matters, but the core unresolved problem in the agentic economy lies in the verification of identity. At precisely this point Korea appears to hold institutional assets that have not yet been sufficiently discussed.

7.1 Redefining the Bottleneck: Identity, Not Payment

The cryptographic means an agent needs to carry out a payment already exist. With a wallet and a digital signature, an agent can send and receive funds. What remains unresolved concerns identity. Does this signature in fact carry the express delegation of an identified person, how far does that delegation extend, and is the delegation legally recognized? The first is a question of identifying who the person is. The other two are questions of agency. Confirming who someone is and determining how much authority that person has handed to a machine, and whether they are legally bound by the result, lie at different levels. The deeper bottleneck in the agentic economy is the latter.

Section 14 of the Uniform Electronic Transactions Act (UETA) in the United States and Article 12 of the United Nations Convention on the Use of Electronic Communications in International Contracts provide that a contract concluded by an automated system without individual human review is not denied effect on that ground alone. The United Nations Commission on International Trade Law (UNCITRAL) went on to adopt the Model Law on Automated Contracting on July 11, 2024, setting out rules on the formation and performance of contracts using automated systems including artificial intelligence, the attribution of system outputs, and unforeseen results. This model law does not apply directly without domestic legislation, however, and it does not displace the law of agency, so the scope of the specific authority conferred on an agent and questions of attribution and liability as to the principal must still be determined by each country's contract and agency law and by agreement

between the parties.[73] The position is no different for doctrines such as agency under the Civil Act, which are framed on the premise of a human agent.

The International Monetary Fund (IMF) addressed this problem directly in a report of April 2026. That report divides agent payments into three layers, namely (1) intent, (2) transaction authorization, and (3) settlement, and sets out a design principle under which the upper intent layer, where artificial intelligence takes on judgment, may permit probabilistic and adaptive inference, while the authorization and settlement layers, which require legal finality and system stability, must be kept deterministic and immutable.[74]

On this division the bottleneck does not lie in settlement, that is, in payment. It lies in authorization. Verifying who has delegated what authority to whom, and giving that verification legal effect, is the task that remains unresolved.

7.2 The Global Standard Remains Unsettled

The international standard for resolving this task is still being built. In April 2026 Google donated its Agent Payments Protocol (AP2) to the FIDO Alliance, a standards body. Separately, Mastercard submitted to the FIDO Alliance a Verifiable Intent framework it had developed jointly with Google, and the FIDO Alliance formed a working group on agent authentication.[75] This framework records the cryptographic evidence of authority delegated by a person to an agent in three stages of intent, cart, and payment, built on the Verifiable Credentials standard of the World Wide Web Consortium (W3C).

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[73] Uniform Electronic Transactions Act § 14 (1999); United Nations Convention on the Use of Electronic Communications in International Contracts, art. 12 (2005); UNCITRAL. (2024). *Model Law on Automated Contracting*, arts. 5–8. https://uncitral.un.org/en/mlac. UETA and the 2005 Convention recognize the effect of automated contracts but do not govern the agency relationship itself. The 2024 Model Law adds rules on the legal recognition of automated contracting including artificial intelligence, the attribution of system outputs, and unforeseen results, but does not displace existing agency law.

[74] Davidovic, S., & Tourpe, H. (April 22, 2026). *How Agentic AI Will Reshape Payments* (IMF Note 2026/004). International Monetary Fund. https://www.imf.org/en/publications/imf-notes/issues/2026/04/22/how-agentic-ai-will-reshape-payments-575560. Full text at https://www.elibrary.imf.org/view/journals/068/2026/004/article-A001-en.pdf. It sets out a design principle under which probabilistic and adaptive inference should be concentrated upstream at the intent layer, while the transaction authorization and settlement layers, which require legal finality and system stability, must be kept deterministic.

[75] FIDO Alliance. (April 28, 2026). *FIDO Alliance to develop standards for trusted AI agent interactions*. https://fidoalliance.org/fido-alliance-to-develop-standards-for-trusted-ai-agent-interactions/. The announcement covered Google's donation of AP2, Mastercard's contribution of Verifiable Intent, and the formation of the Agentic Authentication TWG. The mandate in AP2 is based on the W3C Verifiable Credentials standard.

What deserves attention here is that as of June 2026 this work stands at the formative stage. That the standard is not yet settled means a window remains open for a country or institution with a suitable institutional foundation to take part in shaping it, or to adopt it early and claim a position.

7.3 Korea's Institutional Assets

If the verification of agent identity resolves into the problem of legally recognizing a person's identity and their delegation of authority, then what Korea already has and what it does not yet have must be separated out. What Korea has is a set of institutions for identifying persons and attesting to the authenticity of that identification. As to the contractual acts of autonomous agents and their attribution, international legislative models such as UNCITRAL's 2024 model law have already been put forward, but no legal framework comprehensively governing the specific scope of an agent's authority, its revocation, and liability has yet taken hold. The position Korea might aim for lies in giving concrete form to this unsettled area in a manner compatible with international standards.

1) **Electronic signature legislation**

The Digital Signature Act defines an electronic signature as information in electronic form used to indicate the identity of the signer and the fact that the signer signed the electronic document in question. The Framework Act on Electronic Documents and Transactions further presumes that an electronic document held at a certified electronic document center designated by the Minister of Science and ICT has not been altered during the retention period, and presumes the particulars recorded in a certificate issued by such a center to be genuine.[76] These institutions can serve as evidentiary means supporting the integrity and provenance of the evidence of delegation to an agent, and there is room to join them to the Verifiable Credentials standard of the W3C. An electronic signature, however, is only evidence of the signer's identity and of the fact of signing. It does not determine what that person has entrusted to a machine or how far.

[76] Digital Signature Act art. 2(2); Framework Act on Electronic Documents and Transactions arts. 31-2 and 31-7. The former sets out the definition of an electronic signature, the latter the designation of certified electronic document centers and the statutory presumptions concerning documents held and certificates issued. https://law.go.kr/lsInfoP.do?ancYnChk=0&lsId=009413; https://www.law.go.kr/법령/전자문서및전자거래기본법

2) **Financial real-name legislation**

The Act on Real Name Financial Transactions and Confidentiality, together with the real-name verified deposit and withdrawal account requirement imposed on virtual asset service providers,[77] can serve as a channel for verifying the sponsor of an agent, that is, the natural or legal person bearing legal responsibility for its conduct. A structure binding the result of a sponsor's financial real-name verification into a verifiable credential at the time an agent is registered could be designed on existing institutions without new legislation, provided that other legal bases and requirements including personal data protection are satisfied. This too only confirms who the sponsor is. It does not fill in the scope of the authority handed over or its legal effect.

3) **Issuer regulation contemplated by the Framework Act on Digital Assets bill**

This is different in character from the first two. It is not an asset for identifying persons but one that raises the regulatory suitability of the won itself. As shown above, the bills pending before the National Assembly require issuers to accumulate and manage reserve assets, to make disclosures, and to redeem.[78] Once this regulation takes effect, a won stablecoin issuer will hold transparency comparable to that of the issuer of USDC, and the conditions will be in place for the won to enter as a candidate in the flow of currency selection made on the criterion of regulatory suitability.

[77] Act on Real Name Financial Transactions and Confidentiality; Act on Reporting and Using Specified Financial Transaction Information art. 7(3)(2), on the requirement for a deposit and withdrawal account permitting real-name verification.

[78] See the four bills pending before the National Assembly's National Policy Committee cited in Chapter 4.

7.4 Limits and Prerequisites

The institutional arrangements discussed above remain, for now, no more than a latent foundation. The points that must be cleared for them to be realized are as follows.

First, these laws have effect only within Korea's jurisdiction, and in themselves they are less a comparative advantage than an institutional foundation held in reserve. On verifiable credentials bound to identity, the European Union appears already to be further ahead with eIDAS 2.0 and the European Digital Identity Wallet.[79] Standards for agent authentication and the delegation of authority are being formed on international stages such as the FIDO Alliance and the W3C.

Korea operates the FIDO Korea Working Group, with Samsung Electronics and SK Telecom serving as chair and vice chair respectively, and Korean firms have held seats on the FIDO board of directors. The multilayered assets Korea currently holds must be converted into contributions to international standards, and the vacancy in agency law described above must be claimed through legislation.

Second, the timing of the Framework Act on Digital Assets taking effect is uncertain. As Chapter 4 showed, legislation is at an impasse, and its final form and effective date are unsettled.

Third, even if the verification of identity is resolved, a separate barrier remains in securing liquidity within international payment circuits. For a won stablecoin to be used in practice in the agentic economy, it must hold sufficient liquidity to be exchangeable against dollar stablecoins.

Korea's institutional assets are real. For them to operate as a strength, however, an active choice is required to carry domestic institutions out onto the stage of international standards.

[79] Regulation (EU) 2024/1183, known as eIDAS 2.0, provides the legal basis for the European Digital Identity Wallet (EUDI Wallet), requiring Member States to make available verifiable credentials bound to legal identity. Member States are obliged to provide at least one such wallet to citizens and residents by the end of 2026. This addresses the same task as the electronic signature and financial real-name foundations cited in the text as Korean assets, yet is further along in institutionalization, which shows that Korea's institutions do not in themselves constitute a comparative advantage.

7.5 Implications

For the won to secure a place of its own in the agentic economy, it is not enough to lay one more payment foundation. What is required is to join Korea's institutional assets to the unresolved task of verifying the delegation of authority to agents, and to tie the won to payment flows linked to verified identity and verified delegation. Demand for the won must of course be presumed, but the outlook is not uniformly pessimistic. Sufficient demand may arise in flows that require receipt in won, namely transactions with Korea at one end of the settlement, including the payments in inbound tourism and medical tourism, reverse direct purchasing and cross-border settlement examined in this institute's research on stablecoin distribution, and payment for agent services moving into and out of the Korean economy.

These are the positions that dollar stablecoins find it structurally difficult to occupy, where regulatory suitability and legal identity become assets rather than costs. This entire discussion rests, however, on the premise that the agentic economy will grow to a meaningful scale. If that premise falters, the whole of Part II's analysis falters with it. The next chapter examines the premise in depth.

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The unresolved bottleneck in the agentic economy is the verification of identity. Across the three layers into which the International Monetary Fund divides the process, intent, authorization, and settlement, the bottleneck lies in authorization. The international standard for it is still being built at FIDO and the W3C as of 2026 and remains unsettled.

Chapter 8. Does the Agentic Economy Truly Exist?

The analysis in Part II rests on a single premise. It is the premise that the agentic economy will grow to a meaningful scale. If that premise does not hold, the discussion of the default settlement currency and the discussion of Korea's institutional assets alike lose their practical significance. This chapter examines the counterarguments to that premise directly.

8.1 Counterargument I: The Market Is Still Closer to Narrative

The strongest counterargument comes from the present figures. The payment counts and settlement volumes cited in Chapter 5 are impressive, but a closer look at their substance reveals indicators showing that the market is still at a formative stage.

In the case of x402, the agent payment protocol put forward by Coinbase, cumulative transactions were announced by the company's own tally as reaching 165 million. On-chain analysis, however, put average daily transaction volume in February 2026 at roughly $28,000, and classified about half of observed transactions as wash or test activity rather than actual commerce. Daily transaction counts had fallen roughly 92 percent from their December 2025 peak.[80] If a substantial share of the cumulative figures reflects artificial activity, the settlement volumes presented in Chapter 5 cannot be taken at face value either.

Projections of market size diverge to a degree that makes comparison difficult. One institution projects agentic commerce transaction value at approximately $8 billion for 2026. Another projects agent-mediated consumer commerce at $3 trillion to $5 trillion for 2030. A third projects agent-intermediated business-to-business purchasing at approximately $15 trillion for 2028.[81]

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[80] CoinDesk. (March 11, 2026). *Coinbase-backed AI payments protocol wants to fix micropayment but demand is just not there yet*. https://www.coindesk.com/markets/2026/03/11/coinbase-backed-ai-payments-protocol-wants-to-fix-micropayment-but-demand-is-just-not-there-yet. On Artemis's on-chain analysis, average daily transaction volume on x402 in February 2026 was approximately $28,000, daily transaction counts had fallen roughly 92 percent from their December 2025 peak of approximately 730,000 per day, and about half of observed transactions were classified as wash or test activity. The cumulative figures of 165 million transactions and approximately $50 million in cumulative transaction value are Coinbase's own tally, given at the end of April 2026.

[81] Juniper Research. (April 2026). Projects agentic commerce transaction value at approximately $8 billion in 2026 and approximately $1.5 trillion in 2030; McKinsey & Company. (October 2025). *The agentic commerce opportunity*. Projects consumer commerce mediated by artificial intelligence agents at $3 trillion to $5 trillion in 2030; Gartner. (November 2025). Projects B2B purchasing intermediated by artificial intelligence agents at approximately $15 trillion in 2028. The three estimates cannot be compared directly, as their target years and definitions of the market differ.

The target years and the definitions of the market differ in each case, which makes direct comparison difficult, and even taken at face value the spread runs from several hundredfold to nearly two thousandfold. That the estimates diverge this widely means the boundaries of the market have not yet been agreed upon. That the discussion of identity standards described in Chapter 7 was only convened in April 2026 likewise attests to core foundations still being at the design stage.

8.2 Counterargument II: The 98.6 Percent May Reflect Ecosystem Lock-In Rather Than Market Convergence

The 98.6 percent figure presented in Chapter 5 is itself worth turning over. Consider first the sample. The report underlying the figure drew on a sample of roughly $73 million over twelve months,[82] less than a single day's transaction volume on a major card network. Consider next the source. As Chapter 5 noted, the figure came from a report issued jointly by parties whose businesses run on USDC and its ecosystem. As Chapter 3 showed, Coinbase is the very company that shares in the reserve income on USDC. This report discounted Tether's self-reported figures on the ground that they rested on attestation rather than audit. Consistency requires applying the same measure to figures asserting the dominance of USDC by parties with an interest in it. Consider finally the coverage. Of approximately 176 million agent payments in total, roughly 165 million came from x402, a single strand of the Coinbase lineage. If about 94 percent of the whole sits within one ecosystem, then the 98.6 percent is less the result of open competition than the share USDC holds within that ecosystem, and as the preceding section showed, a substantial part of even that is test activity.

This counterargument cuts both ways. On one hand it indicates that convergence on the dollar may not be as broad as it appears, which softens the intensity of the convergence depicted in Chapter 5. On the other hand, to say the convergence is still confined to one ecosystem is to say it has hardened less, and that room accordingly remains for another currency to force its way in. Read either way, the conclusion is the same. The 98.6 percent must not be taken as a contest already decided.

[82] Keyrock, Coinbase, Tempo, and Virtuals Protocol. (May 2026), report cited above. Total payment value in the twelve-month sample was approximately $73 million, consistent with the average payment per transaction of $0.31 to $0.48 and the total count of approximately 176 million.

8.3 Summary

On the basis of the foregoing examination, the claims of Part II can be stated precisely.

(1) The default settlement currency in the agentic economy is being formed now, and it is tilting toward the dollar stablecoin. (2) Network effects cause this default to harden with time, so the cost of the won's entry is lowest now. (3) The bottleneck to that entry lies not in payment but in the verification of identity, and at this point Korea holds institutional assets that are latent but real.

The conclusion of Part II is not a conviction but the presentation of an asymmetric option. The final part discusses how this option might be given concrete form in Korea's institutional design.

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The argument in Part II rests on a premise about the agentic economy, and the strongest counterargument to that premise is that the market is still small and overstated. About half of x402 transactions are wash or test activity, and estimates of market size vary by several hundredfold or more across institutions.

What Part II claims is not that the agentic economy is large today. It is that the default settlement currency is being set now, that the cost of entry is therefore at its lowest, and that the bottleneck lies in identity.

Part III: Conclusion

Chapter 9. Selective Preemption Through Regulatory Design

Part I examined the large-scale allocation of reserve income by some issuers to their distribution partners and the integration by major operators of several layers across issuance, settlement, and distribution. It went on to show that debate in Korea is concentrated on the position in the value chain that is hardest to defend. Part II analyzed the agentic economy, the earliest stage on which the default settlement currency is now forming, and showed that the place for the won there lies not in payment foundations but in the verification of identity, that Korea holds institutional assets at that point, and that all of this rests on uncertain premises. This final part asks what Korea should therefore do. The answer does not lie in issuing faster. It lies in how the licensing regime is designed so as to place the won at the position where economic rent arises.

9.1 Regulation Makes Markets

The regulatory developments of 2026 make one thing clear. Regulation is not only a constraint on markets but a means of directly reshaping market share. The clearest example is the European Union. Article 48 of MiCA provides that, in principle, only authorized credit institutions or electronic money institutions may offer to the public or seek admission to trading of electronic money tokens referencing a single official currency. In January 2025 ESMA required crypto-asset service providers to halt new dealings in non-compliant asset-referenced tokens and electronic money tokens and to restrict them to sell-only no later than the end of March 2025, and in consequence some exchanges serving the EEA, including Coinbase, restricted trading in USDT.[83] This is a case in which the design of regulation reshaped the market share of a global dollar stablecoin by force of law. Hong Kong granted the jurisdiction's first stablecoin issuance licenses to two institutions including HSBC in April 2026,

[83] ESMA. (January 17, 2025). *Statement on the provision of certain crypto-asset services in relation to non-MiCA compliant ARTs and EMTs* (ESMA75-223375936-6099). https://www.esma.europa.eu/sites/default/files/2025-01/ESMA75-223375936-6099_Statement_on_stablecoins.pdf. ESMA required that new dealings in unauthorized electronic money tokens cease by January 31, 2025, and be restricted to sell-only no later than March 31 of that year. Coinbase in December 2024, Crypto.com in January 2025, and Binance and Kraken in the first quarter of 2025 accordingly halted or restricted the handling of USDT for EEA users. Separately, the transitional arrangements for crypto-asset service provider (CASP) authorization ended on July 1, 2026, and ESMA confirmed in a statement of April 17, 2026, that there would be no extension (ESMA75-113276571-1679).

making licensing an instrument of preemption,[84] and the United States preempted the standard for dollar stablecoins through the GENIUS Act. Regulation that arrives late can arrive better designed. The legislative vacuum described in Chapter 4, if Korea uses it not to catch up but to design, may be seen not as empty hands but as a blank page without limits. For that blank page not to become empty hands again, Korea must move quickly.

9.2 What to Concede and What to Hold

Design begins with deciding what to give up. An attempt by a won stablecoin to displace dollar stablecoins in the general market is unlikely to succeed, given the network effects set out in Parts I and II. Seeking to reverse settlement that has already tilted to the dollar in ordinary retail payments amounts to a waste of resources. This position is better conceded.

The positions to hold are those the dollar finds it structurally difficult to fill. There are three. (1) Flows in which at least one party to the settlement belongs to the Korean economy and receipt in won is required. Settlement between firms in reverse direct purchasing and cross-border e-commerce, and payment for won-denominated tokenized assets, are examples. (2) Flows in which regulatory compliance becomes an asset rather than a cost, that is, regulated payments where proof of identity and legality is a precondition of the transaction. (3) Settlement linked to agent identity, as discussed in Part II. Design must aim at these three positions. It must not chase the dollar.

[84] Hong Kong Monetary Authority. (April 10, 2026). *Granting of stablecoin issuer licences* [Press release]. https://www.hkma.gov.hk/eng/news-and-media/press-releases/2026/04/20260410-4/; Standard Chartered. (April 10, 2026). [Press release]. https://www.sc.com/en/press-release/standard-chartered-backed-anchorpoint-granted-stablecoin-issuer-licence-by-the-hong-kong-monetary-authority/. Under Hong Kong's Stablecoins Ordinance, which took effect in August 2025, the HKMA granted Hong Kong's first stablecoin issuer licenses to HSBC and to Anchorpoint Financial, a joint venture of Standard Chartered, HKT, and Animoca Brands. Two of 36 applications were approved.

9.3 The Essentials of Design

The design choices facing Korea in this direction are as follows.

1) **On the issuing entity**

Confining issuance to entities in which banks hold 51 percent or more has grounds of its own. Banks already sit within the framework of prudential supervision and depositor protection, and they have experience managing large-scale redemption pressure. The proposal nonetheless warrants reconsideration. On the analysis in Chapters 1 through 3, issuance is the position in the value chain that is hardest to defend, and confining it to bank ownership may allocate the most fiercely contested layer on a monopoly basis while constraining innovation in the settlement and distribution layers where economic rent actually arises. It is more reasonable to determine the issuing entity by the soundness of its reserve assets and the substance of redemption than by ownership structure. A middle course that requires financial soundness comparable to a bank's, mandates that reserve assets be held in segregated trust at a bank, and permits the participation of non-bank operators conditional on meeting those requirements comes closer to the balance between stability and innovation. Among the bills pending before the National Assembly, an approach that judges the issuing entity by the substance of its collateral rather than by ownership has already been put forward.[85]

The design of Open USD further indicates that the terrain of this question has itself shifted. Where issuance is reorganized into a fee-free common layer and most of its income is allocated to distribution, the essence of design moves from who issues to whom reserve income is allocated, and on what terms, in order to mobilize distribution. If a joint issuance vehicle for the won were designed, what would matter is not the banks' shareholding ratio but the rules of allocation, the openness of participation, and the location of decision-making authority. As Chapter 3 showed, however, allocation rates did not substitute for liquidity and dispersed consortia have collapsed at the level of decision structure. Transplanting this model must therefore be understood as the design of liquidity and decision structure before it is the design of allocation.

[85] The Framework Act on Digital Assets bill introduced by Representative Min Byung-duk (introduced June 11, 2025, bill no. 2210736) sets the minimum capital for a stablecoin issuer at 500 million won or more, does not confine issuance to banks, and places weight on the collateral backing the reserve assets. The Democratic Party's digital asset task force, by contrast, was reported in January 2026 to have settled on a direction setting the minimum capital for issuers at 5 billion won, the level applied to electronic financial businesses. ZDNet Korea. (January 28, 2026). Digital asset businesses divided into eight categories, with stablecoin capital set at 5 billion won. https://zdnet.co.kr/view/?no=20260128141526

2) **On the separation of issuance and distribution**

The concerns over operational risk and the dual monopoly of exchanges, brought into focus by the erroneous payout incident at Bithumb, are legitimate, and a degree of separation between issuance and distribution is necessary. If that separation is too rigid, however, it may obstruct the integration Korea needs to build at the settlement and identity layers described in Part II. The preferable design focuses separation on prudential supervision of issuance while leaving combination at the settlement and identity layers open.

3) **On reserve assets and interest**

Holding 100 percent reserve assets in segregated custody is a minimum requirement. Following the GENIUS Act in prohibiting interest payments across the board, however, calls for caution. As Chapter 3 showed, the prohibition on interest payments causes issuer revenue to flow to distribution, and if Korea introduces it together with the 51 percent bank requirement, it may bring upon itself the risk identified in Chapter 4, a structure in which Korean banks occupy the position where regulation cuts revenue while foreign parties occupy the position regulation passes by. The regulation of interest must be settled with regard to where that revenue flows. Permitting interest payments of course carries separate risks of deposit outflow from banks and of disputes over securities status, so the regulation is better treated not as a binary choice between blanket prohibition and full permission but as a matter of differentiated design according to the subject and form of payment, and it should be read together with the discussion of securities status in item 5 below.

As Open USD shows, moreover, the allocation of reserve income may be directed to distribution partners rather than to holders. Marking out in advance, in the statutory text, the boundary between a prohibition on payment to holders and permission for allocation to partners appears essential.[86]

[86] This boundary is contested in the United States as well. Section 4(a)(11) of the GENIUS Act prohibits only payment to holders, but the proposed rule of the Comptroller of the Currency, published for comment on February 25, 2026, includes a provision presuming a violation where payment is routed through affiliates or related third parties, and interpretations differ as to whether partner profit-sharing under commercial arrangements is permitted. Gibson Dunn. (March 2026). *OCC Proposes Comprehensive Stablecoin Regulatory Framework to Implement the GENIUS Act*. https://www.gibsondunn.com/occ-proposes-comprehensive-stablecoin-regulatory-framework-to-implement-the-genius-act/; Sullivan & Cromwell. (March 2026). *OCC Proposes Regulations to Implement GENIUS Act*. https://www.sullcrom.com/insights/memo/2026/March/OCC-Proposes-Regulations-Implement-GENIUS-Act. The partner allocation structure of Open USD stands on precisely this gray area.

4) **On settlement and identity**

For the regulation of issuance and reserve assets it is enough to follow global standards, but Korea's design must not stop there. It must go further in two directions. One is to establish or induce a domestic settlement layer or interoperability standard so that won settlement does not rest solely on foreign foundations. The other is to join the foundations of agent identity discussed in Part II, namely the electronic signature and financial real-name regimes, to the standard for verifiable credentials. The proprietary chains that issuing camps are building in parallel must likewise be assessed not by ownership in itself but from the standpoint of this interoperability and connection to liquidity. If the won is to hold a defensible position, it is in these two places.

5) **On foreign exchange and securities status**

For cross-border transfers of stablecoins, the relationship between the registration system for virtual asset transfer business under the amended Foreign Exchange Transactions Act, which takes effect on December 3, 2026, and existing foreign exchange declaration and reporting obligations must be specified. Whether something constitutes a security or a deposit-taking product is not determined by the payment of interest alone, so it must be regulated separately on a comprehensive view of the right to claim redemption, the revenue structure, discretion in asset management, the method of sale, and the bearing of losses.

9.4 Limits and the Need for Empirical Testing

As Chapter 8 made clear, the premise of the agentic economy is uncertain, and as Chapter 7 set out, Korea's institutional assets will become a strength only through active contribution on the stage of international standards. It is therefore more reasonable to test this design first through empirical trials in a regulatory sandbox than to settle it all at once in legislation. What is needed is a way of taking an asymmetric option under uncertainty, an approach that begins with low-cost trials and expands to the extent the premises are confirmed.

9.5 Conclusion

Korea's debate is not directed at the contest its competitors have in mind. As the foregoing has argued, the contest for the won lies neither at the issuance position Korea is now disputing nor in the general market the dollar has already taken. It lies at the settlement position where value arises and at the position of agent identity, where the default has yet to be set. How is that position to be taken? Through design, in the end. Not through permitting issuance but through the design of licensing, and the object of that design must be to establish a place rather than to catch up.

One macroeconomic constraint bears stating plainly. The market share of a won stablecoin can ultimately go no further than the intrinsic use of the won in the real economy, that is, the extent of the reasons to settle in won and to hold won in trade, investment, and capital markets. A stablecoin is a vessel that carries demand for the won over into the form of digital settlement. It does not, for now, appear capable of operating as a device that generates that demand in the first place. The selective preemption this report proposes is accordingly less a strategy for raising the international standing of the won than a strategy for defending and recovering the uses the won already has, on new infrastructure.

Concrete measures for implementation belong to policy judgment under uncertainty. But while Korea disputes issuance, the chokepoints of settlement and the default settlement currency are being decided elsewhere. What remains is to design what to concede and what to hold, and how, before those decisions harden.

Regulation determines markets. Markets determine where future livelihoods will come from, and the effects radiating from them combine to determine national competitiveness. This report is offered in the earnest hope that it may contribute to a better country.

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