

THE MONETARY ORDER OF THE AI AGE

August 2026

Ajita Agarwala
RTI Working Paper no.24



The Monetary Order of the AI Age

Ajita Agarwala

RTI Working Paper, August 2026

Keywords: *international political economy, international monetary system, monetary order, artificial intelligence, stablecoins, institutional analysis, algorithmic sovereignty, compute-dollar, monetary sovereignty, central bank digital currencies (CBDCs), Special Drawing Rights, Global South*

Abstract

Monetary sovereignty has been approached as currency issuance, exchange rate management and capital controls. Yet as artificial intelligence gets incrementally embedded in the systems that move, allocate and settle money and securities, another dependency emerges - algorithmic - which existing scholarship on de-dollarisation and digital currency treats as a technical rather than a structural question. Building on the political economy of the petrodollar and on Triffin's account of reserve issuance, this paper conceptualises the compute-dollar: a self-reinforcing circuit in which dollar-denominated AI infrastructure services reproduce monetary hierarchy as the petrodollar once did through oil. Drawing on stablecoin adoption data, the MiCA, the GENIUS Act, mBridge and Agora, the paper argues that the ongoing currency fragmentation into currency blocs is not a multipolar equilibrium but an unstable interregnum, since a situation with an oligopoly of competing reserve currencies is structurally unstable. It concludes that monetary sovereignty in this interregnum cannot be held nationally but only pooled - through coalitions of interoperable CBDCs, shared AI capacity, and SDR-denominated instruments that create new means for multilateral settlements.

Introduction

Since the beginning of civilization, money has been a political entity. It has been used not just to facilitate trade and commerce, it has been used to project power. The monetary order of the world matters because the strength of one currency over another decides who controls money and its movement. Acceptance of AI in the financial systems of the world is including a new element of variation in the global monetary order. While before, a country could exercise its monetary power by simply playing around with its interest rate policy, reserve requirements, exchange rate management, and capital account regulations; in the age of AI, it has to also deal with various algorithms incorporated in its financial systems. This algorithmic dependency of a nation now affects its monetary sovereignty. Now a country's ability to issue its currency, manage that currency's convertibility, regulate its domestic banks, and control its transborder capital flows, also relies on the algorithms its economy runs on.

Algorithmic dependency that is now embedded in a country's monetary systems is systemic. It is systemic because many processes of the financial system of an economy have started relying on algorithms with various utilities. Consider this, a country's payment infrastructure could be operating on algorithms that are designed by foreign actors. It could also be that its critical financial data is being stored on foreign cloud platforms. Furthermore, it could also be that a local bank's credit allocation system could be running on AI models that are trained on foreign data. It could also be that a country's digital currency infrastructure could be built by a foreign provider. This is not an exhaustive list of ways in which the financial system of a country could lose its algorithmic sovereignty in the monetary realm. All these algorithmic incursions happen one at a time, in the garb of efficiency. And slowly, through a series of such procurements and technological choices, a country becomes algorithmically dependent on a foreign actor, in its monetary life. Cumulatively, this dependence becomes systemic and structural, and a country cedes its monetary sovereignty to one or many foreign actors. In the AI age, these incursions are happening at a vast scale, fast pace, irreversibly, and totally.

To understand these incursions, it is useful to revisit the monetary history of the modern world we live in. The previous global monetary order was structured around oil; the emerging one is increasingly being structured around compute.

When Nixon ended the convertibility of the U.S. dollar into gold in 1971, and the Bretton Woods system collapsed effectively, the U.S. sought ways to maintain the demand of the U.S. dollar in the global economy. The U.S. had to search for a new anchor to maintain the dollar dominance. To this end, it came into an elegant arrangement with Saudi Arabia. According to this agreement, Saudi Arabia and other OPEC nations had to price oil exclusively in U.S. dollars, and in return, the United States had to provide them with

security guarantees and weapons sales. This agreement gave rise to the petrodollar system where the dollar was deliberately structurally embedded in the global energy economy. The U.S. dollar, thereby, became indispensable to every nation that wanted to import energy from OPEC. This mechanism eventually cemented the status of the dollar as the primary reserve currency.

The strength of this mechanism was that it was self-reinforcing. Nations needed U.S. dollars to buy oil for themselves, and to pay in USD, they needed to either have export surplus with the United States or they needed to borrow from dollar-denominated debt markets. Either way, these dollars were then recycled into the U.S. Treasury securities, which helped the U.S. lower its borrowing costs, which ultimately helped the U.S. in financing the very military infrastructure that underwrote this system's security guarantees. The loop closed so marvellously. This loop shows that the dollar remained globally dominant not just because of its economic merit, but because this system helped in structurally embedding the dollar into the veins of global commerce. It was the timely execution of a well deliberated strategy on the part of the U.S. that made this happen.

In the AI age, something analogous but more complex is underway. The essential infrastructures of this era- semiconductors, data centres, cloud platforms, and frontier AI models- are largely being built on American soil. All of them are thus governed by American law and denominated in U.S. dollars. As a result, just as the petrodollar system had made the dollar indispensable to nations that needed to import oil, the emerging "compute-dollar" is making the dollar indispensable to nations that need to import AI infrastructure.

The compute dollar mechanism is structurally more interesting than the petrodollar. Unlike oil, which could potentially be traded in alternative currencies if the exporting and importing countries agreed, AI infrastructure does not offer such flexibility. This inflexibility is owed largely to the fact that the dollar is deeply embedded within today's payment systems, cloud billing architectures, and API-based marketplaces since most of these services are denominated in the dollar. In the AI age, the dollar dependence is not merely transactional, but it is infrastructural and always ongoing.

The dominance of the U.S. dollar in the post-war international monetary system was not an accident of markets alone. It was a deliberate architectural choice which was institutionalised at Bretton Woods in 1944. It survived the test of time because this system was sustained through decades of military power, financial infrastructure, and the resulting compounding network effects. The dollar's supremacy rested on three mutually reinforcing pillars: the depth and liquidity of U.S. capital markets; the pricing of global commodities- especially oil - in dollars; and the central role that the American financial institutions played in clearing and settling all international transactions. Through all these decades, none of these pillars have been challenged, and the organizing logic of the global economy has stayed as is.

But, a challenge is now emerging. It is not emerging as a result of the grand strategy of the rival states, but as a result of the convergence of technologies of the day: artificial intelligence, distributed ledger technologies, and the rise of programmable money. The monetary order of the AI age is being designed in real time as these technologies evolve and mature. At the forefront of this change are private actors that are working on financial technology products and selling their products to countries whose regulatory environments have not caught up. This has reverberating implications for the monetary sovereignty of those countries. Their capacity to govern their currency systems within and across their borders is being taken over by these actors. If these countries have to stop this wave from engulfing them, they have to take deliberate actions. But, the window for deliberate, strategic positioning is narrowing faster than they realise.

1. Money as Infrastructure: How AI Is Rewiring the Financial System

A lot is at stake if the world's monetary order is changing. To understand what is changing, it is important to understand how it is changing. AI is getting incorporated in the body of global finance through various mechanisms which are so structural and irreversible, that it is bound to affect the whole monetary order as it exists right now. AI is changing the systems that enable the money to move, to be allocated and to be settled. The algorithms and mechanisms that are now being put in place to do these three functions of money are being driven by AI. If a country adopts foreign technology for carrying out these functions, it is at risk of losing its algorithmic sovereignty and monetary sovereignty.

Since its establishment in 1973, SWIFT network has been responsible for providing the messaging system that enables cross-border transactions. Even though this network is extremely critical for the correspondent banking system, it hasn't been drastically modernized over the years. Because of this stagnancy, this system remains expensive, slow and opaque. A migrant worker in the Gulf who wishes to remit his income home in India will not only lose six-ten percent of the total remittance to various fees, he will only be able to see the money in his family's account only after 3-4 days. Looking at such statistics, the World Bank estimated that if these remittance costs are somehow reduced to three per cent, it would give \$20 billion annually to the recipients.

Artificial intelligence is helping in reconceiving the system. With AI, fraud detection in cross-border transactions has become easier. Also, AI systems are helping in rapid real-time assessment of such transactions. Since LLMs are capable of processing millions of transactions per second, and they can easily identify patterns that are worthy of being flagged, AI is being incorporated in various systems that enable money to move rapidly across the globe. In fact, JPMorgan Chase has reportedly saved around \$1.5 billion annually through such AI-driven fraud prevention technical systems. This

structural incorporation of AI in financial systems is helping in the compression of settlement time from days to seconds.

The second shift that is coming about is in the domain of credit allocation. Traditional credit systems rely on a narrow set of variables - credit history, income verification, collateral - that are used systematically to exclude large swathes of populations from access to credit, especially in emerging markets. AI models that are trained on alternative data - mobile phone usage patterns, utility payment histories, satellite imagery of agricultural land possession, even social network structures - are now capable of doing credit assessments for the previously unbanked populations. This is not just an instrument that brings about financial inclusion and social good. It is a geopolitical instrument. It is a reconfiguration of monetary power. The institution that provides credit infrastructure becomes the institution whose terms, whose law, and whose currency can eventually shape the financial lives of millions in any given economy.

Third, and the most consequential transformation, however, is strictly structural. AI is enabling the construction of entirely new payment rails that can completely bypass the existing, dollar-centric correspondent banking system. These new payment rails are also creating a demand for a qualitatively new form of money which is programmable, machine-readable, and capable of settling at internet speed.

This new form of money will be the medium of the machine economy where economic activities will be executed by algorithms. In this machine economy, AI agents will be designed to call various APIs, execute workflows across many different cloud environments, negotiate contracts; and payments that these AI agents make will have to be machine-runnable. It is at this juncture where technology and commerce meet, that stablecoins have become politically and economically salient to the monetary order of the AI age.

2. Stablecoins and the Privatization of Monetary Power

Stablecoins are digital tokens that are pegged to fiat currencies. They are designed this way so that they benefit from the programmability of cryptocurrency infrastructure and from the price stability of sovereign money, both. Stablecoins were a novelty a few years ago, but now they have become the central piece of the emerging new monetary order of the AI age. Their market capitalization has expanded from only \$205 billion in January 2025 to over \$317 billion by early 2026, with nearly \$100 billion added in a single year. More consequentially, stablecoins processed approximately \$27.6 trillion in on-chain transfer volume in 2024 - a figure that surpassed Visa and Mastercard combined. But, according to the IMF, around ninety-seven per cent of all stablecoins that are issued are pegged to the U.S. dollar. The dollar is conquering new monetary territory not through

diplomacy or gunboats, but through software. Tether's USDT accounts for roughly \$187 billion, and Circle's USDC represents approximately \$75 billion, and together they control close to eighty-five per cent of the total issuance.

Stablecoins are not only redefining payment efficiency, they are also reshaping the macro-financial linkages. The relationship between the stablecoin infrastructure and the U.S. sovereign debt markets has become a first order macro-economic variable. This has come about because stablecoins have to, by their very logic, maintain their value to the currency they are pegged to. This means that the private companies which are issuing the stablecoins in the U.S. have to hold proportionate U.S. government debt. Numbers are already telling. Tether's exposure to the U.S. Treasuries rose from \$113 billion at the end of 2024 to \$141 billion by late 2025. This made Tether the seventeenth-largest holder of U.S. Treasuries globally, ahead of even some sovereign states such as South Korea. The BIS has warned that stablecoin inflows can now measurably affect short-term government bond yields. A stablecoin inflow of approximately \$3.5 billion can lower three-month T-bill yields by 2.5 to 3.5 basis points within ten days. This is comparable to the effect of small-scale quantitative easing on long-term yields. These effects create a stark latent stability risk. The ECB has even cautioned that a run on stablecoins could possibly trigger a fire sale of reserve assets that will most definitely affect the liquidity of the U.S. Treasury markets. The build up of this systemic risk could ultimately lead to the precipitation of a broader financial crisis.

This systemic risk in the system is burgeoning as the adoption of stablecoin becomes mainstream across regions that are experiencing currency volatility. This indicates a rather structural penetration of the stablecoins. It can't be brushed off as being incidental. Argentina is a blazing illustration of this penetration. It led Latin America with \$91 billion in crypto inflows between July 2023 and June 2024. Of this \$91 billion, stablecoins comprised nearly sixty-two per cent of the total transaction volume. Turkey's cross-border stablecoin payments surpassed \$63 billion in 2024 which made it the world leader in stablecoin volume as a percentage of GDP. Nigeria followed, as it processed almost \$22 billion worth of stablecoin transactions. A significant twelve percent of Nigeria's population uses stablecoins- for payments and saving, both. Venezuela is a curious case too as USDT is commonly known as "Binance dollars" in the country. Shops in Bolivia have even started displaying product prices in USDT since 2025. All this to illustrate that Africa, the Middle East, and Latin America, have collectively seen monthly stablecoin transactions worth billions of dollars. The underlying motivation that common people have behind using stablecoins remains the same across all these countries. People are seeking a store of value and a medium of exchange that is more reliable than their own domestic currency.

This pattern exemplifies a type of grassroots dollarization, which is spreading like wildfire across the world not through a policy measure, but because of the ease caused

by the integration of infrastructures. In countries where people are not convinced that their governments can provide a stable domestic currency, people are opting for stablecoins which promise to preserve value and are easy to transact. This trend is problematic because it could lead to currency substitution which would in turn make capital flows more volatile (since now capital controls could be easily circumvented). This will create a nasty loop where stablecoin proliferation is more likely to happen in countries with higher inflation, and stablecoins further create conditions for inflation as they fragment the domestic payment systems and increase the capital flow volatility and exchange rate volatility.

Let's elaborate on how monetary power is being privatized. When citizens of Pakistan, Nigeria, or the Philippines transact in Tether, they are not only using a dollar-linked asset; they are, in a literal sense, placing their economic lives under the governance of a private company - Tether Limited. This company's reserve management practices, governance structures, and operational stability are not subject to any oversight from the domestic regulatory authority or any other democratically appointed body. Monetary sovereignty, in this sense, is not seized but insidiously hollowed out since the private infrastructure have displaced the public institutions by providing the functions the latter have failed to provide. This change is so deeply structural that it remains invisible to most until it starts to bother, and is extremely costly to reverse when its consequences become apparent.

In some aspects, the consequences are starting to become apparent. Tether froze roughly \$4.2 billion in USDT since its launch, with \$3.5 billion of that amount frozen in 2023 alone. This unilateral coercion affected thousands of people on its blacklist. Circle, in a similar single unilateral move in March 2026, froze the USDC held by sixteen business entities. Such actions were taken without any court order. There was no recourse to regulatory hearing that the affected had, nor did they have any option to appeal anywhere. These acts effectively shut down the financial activities of the affected entities. The 2025 GENIUS Act, a regulatory framework, has even formalized this approach at the federal level in the U.S. The Act mandates that all stablecoin issuers are required to have freeze-and-block capabilities and that they must work in coordination with the Treasury on sanctions. Through this Act, dollar stablecoin, in its legal architecture, has become an instrument of American financial statecraft that has been deployed through private corporate intermediaries. A nation whose domestic commerce settles in USDC has not merely adopted a convenient payment technology; it has placed its financial sector under the effective jurisdiction of the United States Treasury.

What emerges from this discussion is that the world is reconfiguring the monetary order, actively and passively. Some nations are institutionally weak and are unable to resist this reconfiguration from happening, and some nations are utilizing this technological window of opportunity to strengthen their hold in the world. Nevertheless, the infrastructures

through which money is moved, allocated and settled are shifting from strictly state-centric institutions to AI driven systems that are geographically concentrated, privately controlled, and jurisdictionally anchored.

3. Stablecoins as the Payment Rail for the Machine Economy

Monetary power is slowly shifting from state-centric institutions to computational systems, but how is this shift being operationalised? The answer to this question lies in the payment rails of modern day commerce. The existing bottlenecks in the current payment systems remain stubborn. Even though software markets have moved to real-time consumption and billing, settlement still mainly relies on batch processing, intermediate bank ledgers, and disaggregated compliance stacks that vary from jurisdiction to jurisdiction. This mismatch could be filed under sheer inconveniences, but in reality, it is a structural constraint of the existing payment systems. This mismatch has been exposed as a fundamental gap in the existing financial architecture by the autonomous AI agents that are being deployed today. These agents are capable of browsing, negotiating, purchasing and executing tasks without any human interference. They need a new money since credit cards and bank transfers were designed for humans, and not for machines. To cater to the need of the times, a new class of payment protocols is emerging, and they unequivocally converge on using stablecoins as their settlement layer.

In May 2025, Coinbase launched x402 viz. a protocol built around the reserved (and infamous) HTTP 402 status code. This protocol enabled instant stablecoin payments over standard web requests. This is how it works- when an AI agent encounters a paywalled API and receives a 402 response with a machine-readable payment prompt, it constructs a signed payment in USDCs and effectively makes the payment required to access the API. All this happens within only one HTTP-round trip, where the settlement time is below two seconds and the transaction costs are only a small fraction of a cent. By December 2025, x402 had already processed seventy-five million transactions for paid APIs and AI agents, using this mechanism.

This convergence is not only confined to Coinbase. Cloudflare, one of the biggest networks on the internet, announced its support for x402 in its Agents SDK and also unveiled its plans for the NET Dollar. The NET Dollar is a stablecoin backed by the USD, built specifically for agent commerce. This technical shift will define the internet's next business model which will be driven by pay-per-use mechanisms, fractions payments and microtransactions. Google followed suit in September 2025 with its Agent Payments Protocol. Google could muster support from sixty other partners for this protocol. The partners include Mastercard, PayPal, and Salesforce. Some others like

Visa, Anthropic, OpenAI and Standard Chartered gave their support to Stripe's Machine Payments Protocol which was launched in March 2026. While these protocols may be different, they all converge toward the same structure. Stablecoins are becoming the financial layer of machine-to-machine commerce in a literal engineering sense.

In March 2026, Circle launched its Nanopayments infrastructure on testnet. It enabled gas-free (no network fee) USDC transfers for values as small as one-millionth of a dollar. It did so by batching thousands of micropayments off-chain before on-chain settlement. This proof of concept showed an autonomous robot dog which could pay for its own recharging in USDC. While this demonstration, on its own, seemed whimsical, its implications were far reaching for the next phase of internet commerce.

The political-economic significance of this development is massive. Wide usage of stablecoins will need the stablecoin issuers to hold a significant share of the U.S. T-bills. This will affect the liquidity of the Treasury market. The resulting volatility could even lead to a worldwide financial crisis. Also, the usage of stablecoins for the settlement layer of the machine economy will eventually lead to widespread grassroots dollarization, especially in emerging market economies, which will further make the macroeconomic conditions even more volatile.

Beyond being used in the traditional payments sector, stablecoins are also becoming crucial for the internal economics of AI marketplaces that sell compute time, model inferences and data services. These marketplaces have started quoting prices in fractional USDCs rather than invoicing in traditional currencies. This convergence too, is structural. AI services, by virtue of their design and usage, are granular, continuous, and global. This kind of servicing far exceeds the capacity of the legacy banking rails. Take for example a startup in Jakarta that wants to access frontier AI models through a platform in Singapore. The correspondent banking process will take a long time to execute this purchase. Stablecoin micropayment protocol can execute it in a fraction of milliseconds.

All this to say that the wide acceptances of stablecoin driven payment protocols will lead to the establishment of a new monetary order. In this monetary order, whoever denominates the majority stablecoins, and governs the protocols through which they move, will end up capturing the unit-of-account advantage as the dollar had captured that advantage in the petrodollar system. In yet other words, monetary power in the AI age is being rewritten at the level of protocol design.

4. Dollar Denomination of AI Infrastructure

The widespread acceptance of stablecoins in the payment rail of the machine economy makes them critical for dominance of the dollar in the AI age. As of now, the dollar seems to be reaping the unit-of-account advantage since 97 percent of the stablecoins in the world currently are pegged to the U.S. dollar. But the dollar is not dominant only because it dominates the stablecoin market, but also because the dollar is embedded in the infrastructure of the AI age. Protocol design is only one such system. To understand why the dollar is dominant in the denomination of the AI infrastructure, it is important to examine the broader political economy of AI.

At the core of this political economy lies the structural relations between compute and currency. Like the petrodollar had made the dollar dominant because energy was the core input of the industrial civilization, compute dollar is likely to work in favor of dollar dominance because compute is the key input of the AI age. The same logic is working with a renewed force in the AI age because most AI infrastructure is denominated in dollars. Consider this: a company in Bangkok accessing GPT-4 through the OpenAI API pays in dollars; a startup in Lagos deploying an LLM on Amazon Web Services pays in dollars; a government agency in Jakarta fine-tuning a frontier model on Microsoft Azure pays in dollars; a research institution in Nairobi purchasing NVIDIA H100 GPUs through an authorized distributor pays in dollars too. At every node of the AI value chain, from semiconductor fabrication to model training to API access to cloud deployment, all transactions are dollar-denominated.

This is not accidental. It directly only reflects the geography of technological development in the AI age, which is concentrated in the United States and its allies. NVIDIA, which produces over 80 percent of the world's advanced AI training chips, bills in dollars. Microsoft, Google, and Amazon, the three dominant global cloud platforms, bill in dollars and are subject to U.S. jurisdiction. OpenAI, Anthropic, and the other frontier model developers are also, unsurprisingly, American companies operating under American law, billing in dollars. At its core, the AI ecosystem is a dollar ecosystem, and nations that choose to build their AI capabilities on top of this infrastructure are increasing their monetary dependency on the dollar.

Further still, large American card networks- Visa, Mastercard - have already been investing heavily in AI powered fraud detection systems, underwriting, and customer experience systems. These improvements will further entrench the existing advantages that these American payment infrastructures have in the world. Small and competing national payment networks in the emerging economies might find it difficult to compete with the advanced American card networks. The network effects of scale will only compound dollar dominance, with the analytical advantages that AI offers. This will make it progressively harder for alternative payment ecosystems to achieve the efficiency and security levels that could make them credible alternatives to dollar based payment systems for international settlement.

The parallel to petrodollar recycling is instructive here. Just as petrodollar surpluses were recycled into U.S. Treasury bonds, sustaining American fiscal capacity, the compute economy is generating a brand new form of dollar recycling. Nations that export goods and services to earn dollars use those dollars to, now also pay for, cloud compute, LLM APIs, and semiconductor imports. The dollar thus returns to the U.S. through American corporate revenues. This is then taxed by the American Treasury and invested yet again in the next generation of AI infrastructure. As it stands right now, the loop might not yet be as tight as the petrodollar circuit was at its peak, but the similarity in their architectures is strikingly recognizable.

The structure of the compute-dollar system is being further institutionalised and accelerated by the 2025 GENIUS Act. The legislation has established the first comprehensive federal stablecoin framework which mandates its one hundred per cent reserve backing in the U.S. Treasuries, cash, and equivalents; requiring monthly reserve attestations; imposing Bank Secrecy Act and Anti-Money Laundering compliance obligations; and establishing insolvency priority protections for stablecoin holders over other creditors. The White House has been rather explicit about its strategic rationale behind the GENIUS Act. The U.S. aims to generate increased demand for U.S. sovereign debt so that it can cement the dollar's status as the world's global reserve currency in the AI age. The compute-dollar circuit, in other words, is no longer merely an emergent property of market structure. Rather, it is an explicit object of American statecraft. What we are witnessing is the story of 'compute-dollar' being written in front of our very own eyes.

5. Resisting Dollar Dominance: The Politics of Monetary Sovereignty

The dominance of the dollar in the emerging monetary order of the AI age is indeed real and substantial. But, it is not inevitable. The consolidation of the 'compute-dollar' circuit will face many hurdles and contestations that will arise from the emergence of alternative architectures. These alternatives will not be technological, rather institutions and geopolitical.

Consider a future scenario where there is a high demand for AI powered financial services like robo-advisors, AI driven lending platforms and AI driven trade finance systems in all major economies. These services will likely be offered by firms from both the major players in the AI economy: U.S.A. and China. The firm that eventually succeeds in deploying these services in a given economy will ultimately capture the financial infrastructure of that country. This will mean that this win will define the currency in which transactions will be denominated, the jurisdiction in which disputes will be adjudicated and the data governance regimes that will be followed in that economy.

The institutional identity of the service provider will ultimately matter in defining the financial systems of that economy. In this sense, the financial infrastructure becomes the theatre where the AI age's monetary hierarchy will be etched. In the AI age, the struggle over monetary sovereignty will be fought through these competing architectures that will determine which currency would become the default unit of economic life within a given economy.

The stakes of this struggle are high, as was distinctly visible in 2022 when the G7 froze roughly \$300 billion of Russia's central bank reserves. It revealed that the dollar was not solely a medium of exchange, but that it was an instrument that could be used for geopolitical coercion. What had long been understood in only abstract terms - that reserve holdings and payment dependencies create asymmetric vulnerabilities - was also demonstrated in practice, visibly, at scale, and crudely. For the government in Beijing, New Delhi, Riyadh, and beyond, the lesson was unmistakable- monetary dependence on any external infrastructure poses not only a technical risk but also a strategic risk.

In the background of these types of incidents, the emerging monetary order of the AI age becomes even more important. AI's technological progress is giving another window of opportunity to the states to re-engineer their monetary sovereignty. All they have to do is reconceive the architectures through which currencies circulate. These responses can be varied in their form but they can be understood through three distinct logics.

The first logic is that of the construction of bypass architectures that can reduce the dependence on dollar mediated payment rails. The most ambitious example here is that of Project mBridge which offers a way for central banks of different countries that are involved to trade in their CBDCs directly with one another. It is a multi-central bank digital currency platform developed by China, Hong Kong, the United Arab Emirates, Thailand, and Saudi Arabia. This architecture would provide an alternative to the SWIFT messaging system and also remove the necessity of using the dollar as an intermediary for settling trades between countries. The pilot run of mBridge happened in 2025; the technical and institutional feasibility of this parallel settlement infrastructure has been proven beyond doubt.

The second strategy that can help countries in re-engineering their monetary sovereignty is by reducing the dependence on dollar-denominated infrastructure within the pre-existing system. The European

Union's approach exemplifies this logic. The digital euro initiative aims to create a

payment system based in the digital euro, one that functions without relying on American card networks or clearing houses. This effort is further supported by the 2024 Markets in Crypto-Assets (MiCA) regulation. MiCA requires eurozone stablecoin issuers to meet reserve and capital standards, which is aimed at bolstering the credibility of euro-backed stablecoins when compared to their dollar counterparts. The objective of the EU is not to tear down the existing system, but rather to rebalance it. This is the strategy the EU has adopted to ensure the euro continues to remain relevant in the AI age. Although, it must be noted that currently, euro-denominated stablecoins remain abysmally negligible at less than €615 million, compared to over \$280 billion in USD stablecoins, a ratio of approximately 1:450.

A third approach that is widely visible across emerging and middle-income economies, is the localization and regionalization of payment infrastructure. Rather than investing their limited budgets in constructing entirely new global systems, these states are building AI powered domestic and bilateral payment infrastructure to have local and regional alternatives to the dollar system. India and the United Arab Emirates have operationalized a rupee–dirham settlement mechanism for trade, while ASEAN economies are advancing cross-border QR payment frameworks in local currencies. Brazil's Pix system is an AI-enabled instant payment infrastructure operating at national scale, and it has become a model for domestic payment sovereignty. These efforts do not seek to displace the dollar globally; they only aim to limit its necessity locally.

Across these otherwise divergent strategies, a common technological substrate is emerging: the central bank digital currency (CBDC). By 2025, over 130 countries, representing 98 percent of global GDP, were already investigating or piloting CBDCs. This trend reflects a shared recognition that digital money is too consequential to be left to private companies or foreign jurisdictions.

Yet CBDCs are not only instruments of efficiency. They are instruments of power and sovereignty. China's CBDC, known officially as the e-CNY, is the most sophisticated example of this approach so far. It is already incorporated into the country's payment systems and is being set up for international use. By 2025, the e-CNY was in the hands of over 260 million people, tested in more than 17 cities, used during the 2022 Beijing Winter Olympics, and is incorporated in various provincial government payroll systems. The People's Bank of China has been explicit that one ambition behind the creation and adoption of e-CNY is to provide an alternative to SWIFT for cross-border yuan settlements and reduce Chinese exposure to potential exclusion from the dollar-system of the kind that applied to Russia following its 2022 invasion of Ukraine. Digital yuan's potential linkage with platforms like mBridge undoubtedly has geopolitical motivations. Eventually, the world shall see the emergence of a yuan-denominated financial architecture that is capable of operating totally independently of the dollar-based

systems.

India too is following a similar strategy. India's Digital Rupee was launched in 2022, as India's CBDC. The Digital Rupee is designed not only for modernizing domestic payments, but as an infrastructure India can use with its trade partners for rupee-denominated settlements. With this strategic outlook, India has already concluded bilateral local-currency settlement arrangements with the UAE, Russia, and several Southeast Asian economies. India's approach is only slightly different from China to the extent that India is not attempting any systemic displacement, and is only expanding the realm of rupee denominated trade through bilateral agreements.

Collectively, these strategies will slow the rise of the compute-dollar circuit while also ensuring that monetary sovereignty does not get transferred from states to private entities. In this discussion, it is important to point out that while all these systems also reveal a deeper tension in the financial systems of today's world. Programmable digital currencies have increased the scope of state authority over money by enabling surveillance, conditional spending, and real-time intervention, through their very architecture. In some cases, these features are even being actively exported as embeddings and alternative regulation logics into the financial systems of other states. For example, the Chinese e-CNY includes expiry dates on certain issued tokens, which means that it is the kind of digital money that can literally disappear if not spent by a certain date. While this feature might be a macroeconomist's dream tool for stimulating consumption, such a provision in digital monies is a civil libertarian's nightmare. For authoritarian states, the CBDC is not only a tool to regain monetary sovereignty; rather, it is a new dimension of social control that allows it to monitor every transaction, restrict spending to approved categories, and freeze accounts extrajudicially. The concern for the health of world's democracies, in light of this, is that authoritarian-designed CBDCs that come with embedded surveillance capabilities could be exported to dozens of developing nations.

The contest over monetary sovereignty is thus inseparable from a contest over the political character of money itself.

The scenario that is most likely emerging, then, is one where the monetary order is deeply fragmented. The global monetary system is getting splintered into multiple currency blocs where each bloc has its own electronic payment infrastructure. This is now swiftly becoming a baseline scenario, and does not remain a tail risk for the world. The dominance of the dollar as a share of the global reserves has been slipping for twenty years, and the emergence of alternative digital payment systems is only feeding that trend. We're now looking at a world with several monetary zones - the dollar zone,

the eurozone, the yuan zone, and a collection of regionally-focused currencies. Each of these will have their own digital payment rails and a financial services paraphernalia, powered by AI, that supports them. This isn't some imaginary far-off scenario anymore.

In such a world, monetary order will not be determined solely by the strength of a currency, but by the architectures that ultimately decide where, how, and in what denomination the economic life of the majority is conducted.

6. The Design Moment: Competing Architectures and What Nations Must Do Now

The monetary order of the AI age is still evolving. The architecture of this order is being built; alternative architectures are being tested; technical standards are being set by SWIFT, the BIS, and ISO payment messaging committees; regulatory decisions are being taken in capitals such as Washington, Beijing, Brussels, New Delhi, and Nairobi; venture capital funds are looking for stablecoin startups to invest in; and the IT departments of central banks are making procurement decisions right now. This window of openness is temporary though. As in all infrastructure domains, this window closes when the underlying systems get finally built because it is only after that that the network effects get accumulated and the cost of switching to any other architecture or regime rises. There are many contests that are currently ongoing in the scramble to define the new monetary order of the AI age. The most consequential of those is not the retail-facing competition between stablecoin apps and CBDC wallets, it is the institutional contest between the competing cross-border settlement architectures. The architecture that will be adopted most widely will determine which currencies, which governance frameworks, which legal jurisdictions will define the monetary order of the AI age. The two competing projects that are proceeding in parallel are China's mBridge and the BIS led Project Agora. Undoubtedly they have implicit geopolitical implications.

As mentioned before, Project mBridge is a multi-CBDC platform that has been developed in collaboration with the BIS Innovation Hub and the central banks of China, Hong Kong, Thailand, the United Arab Emirates, and Saudi Arabia. By early 2026, the system had already handled in excess of four thousand cross-border transactions, totaling around \$55.5 billion across all the involved jurisdictions. Its design allows central banks to directly exchange their CBDCs. This setup, by the very virtue of its architecture, avoids the SWIFT messaging network and removes the necessity of using the dollar as an intermediary in trade settlements between countries. Unlike correspondent banking, which involves chains of intermediary institutions each taking fees and exercising compliance judgements, mBridge settles in only a few milliseconds on a shared distributed ledger with atomic finality. The geopolitical implications are structural. A trade transaction between a Chinese exporter and a UAE importer settling

in e-CNY through mBridge is not only going to be faster and cheaper than the dollar-clearing alternative, it is also invisible to the U.S. Treasury's Office of Financial Research. And thus, it will be exempt from OFAC jurisdiction, and entirely outside the enforcement perimeter of American financial sanctions architecture.

The political signal that this architecture contains is consequential for the discussion on the scramble for monetary sovereignty of the AI age. Saudi Arabia being a part of Project mBridge is an inclusion that piques curiosity. Saudi Arabia had after all, helped establish the petrodollar system in 1974. And now, paradoxically, it is helping China establish a system which can strike at that very system that had enabled energy trade in dollars. This strategic hedging on the part of Saudi Arabia is very telling. While it does not suggest that the order of the dollar is rupturing immediately since the associated security and financial ties are deeply entrenched in the global economy, it does suggest a drastic shift. A cautious interpretation would be that the objective of Project mBridge is not to exit the existing dollar system, but to provide an optionality for non-dollar settlement which was inconceivable a few years ago.

The west's response to mBridge is institutional too, in the form of Project Agorá viz a BIS led initiative involving the Federal Reserve Bank of New York, the Bank of England, the Banque de France, the Bank of Japan, the Swiss National Bank, the Bank of Korea, and the Banco de México, alongside forty-one private sector financial institutions. It was tested in early 2026. Project Agorá's technical foundation is the BIS's unified ledger framework that brings together tokenized central bank reserves, commercial bank money, and financial assets on solely one single programmable settlement layer. While Project mBridge only has sovereign-to-sovereign settlement architecture, Agorá broadly integrates commercial bank money into a programmable cross-border settlement layer that is anchored in central bank liabilities. After all, it is commercial bank money that constitutes the majority of money in circulation in developed economies.

While the contest between mBridge and Agorá is not a technical one, it is important to acknowledge that it is their technical differentiation that leads to a contest over their monetary governance philosophies. It is this tussle that will shape the sovereignty profile of all the participating nations. Nations aligning with mBridge will gain insulation from American financial coercion. Instead, they will make themselves open to Chinese institutional architecture, regulations and political influence in their international settlements. Nations participating in Agorá will remain embedded in the Western-governed monetary system but gain the programmability and interoperability benefits of tokenised settlement without the dollar dependency risks of private stablecoin rails. Now onto the nations that aren't participating in either of these systems, they risk positioning themselves as the rule takers of the system that ultimately wins the contest and achieves dominance in a few years. The only caveat is, that in a few years, when this dominance is indeed established, they might not have any institutional voice

in the governance of that system and will not have much leverage over its enforcement priorities.

Before turning to what nations must do, a caution is in order. The belief that de-dollarization can be achieved by carving away pieces of the dollar's power - the yuan taking one share of the reserve role, the euro another, perhaps the rupee a third - is not a strategy. It is a technical impossibility that is dressed in one attire. Reserve currency status is not a prize to be divided. Rather, it is a structural burden that a currency carries. The issuer of a reserve currency must supply the rest of the world with its liabilities, which means running large and persistent current account deficits - the dilemma Robert Triffin identified in 1960, and the one that eventually broke Bretton Woods. A world of two or three competing reserve currencies would therefore be a world of two or three major economies competing to run those deficits, while reserve managers and, increasingly, algorithmic traders shift between them at every difference in interest rates and liquidity conditions between the big economic zones. Such currency substitution, executed at machine speed, would make exchange rates hyper-unstable and turn every monetary policy divergence into a potential crisis. History offers no example of a stable multipolar reserve order; the interwar sterling-dollar condominium ended in competitive devaluation and depression. Monetary order has only ever been possible in two configurations: under a single hegemon whose currency anchors the system, or under a neutral multilateral currency issued by an institution such as the IMF - of which the Special Drawing Right remains the embryonic, and neglected, form. The hegemon's era is now closing fast under the Trump Administration. But, the multilateral currency does not yet exist. That is precisely why the fragmentation described earlier in this essay must be understood not as a new equilibrium but as an interregnum which is costly, unstable, and crisis-prone until a new anchor is agreed upon. The strategies that follow are therefore not a manual for seizing a share of the dollar's throne. They are a manual for surviving the interregnum with sovereignty intact, and for arriving at the eventual multilateral negotiation with something to bargain with.

The strategic imperatives for the nations that seek to preserve their monetary sovereignty in this highly competitive and evolving landscape, are clear. Firstly, they must develop their national CBDCs, and build regulation around them. This must be a well deliberated stand, and not a knee-jerk reaction to the evolving monetary landscape. To this end, the nations must conduct necessary research, proactively enhance their regulatory capacity, and make careful architectural decisions over the degree of programmability, privacy protections, and cross-border interoperability of their CBDCs. Nations that delay these decisions are only sleepwalking into the default choices and deepening their dependence on either a private stablecoin infrastructure or a foreign CBDC system. But a national CBDC, however well designed, is only half of the imperative. Interoperability is not a feature that can be coded in later; it is a diplomatic achievement, and it demands a degree of coordination among central bankers that does not currently exist anywhere outside the mBridge and Agorá clubs. What is needed is a

standing coalition of central banks of the Global South - open to any partner willing to join on equal terms - that negotiates CBDC interoperability standards as a bloc rather than as supplicants arriving one by one. Where a global coalition proves too unwieldy, regional ones can serve as its building blocks: an ASEAN arrangement, an African one anchored in the Pan-African Payment and Settlement System, a South Asian one. And the boldest, most testable proposition is inter-regional: a formal interoperability agreement between such Southern coalitions and the euro area, with the ECB as counterpart. The idea will provoke opposition, not least from Beijing, which has its own designs on becoming the anchor of the post-dollar order - and that opposition is itself the argument. A Europe seeking strategic autonomy and a Global South seeking monetary sovereignty are natural counterweights to a world in which the only alternatives on offer are Washington's rails or Beijing's. The proposition deserves to be dared, and its opposing arguments deserve to be heard in the open.

The second imperative at hand is that these nations must develop a domestic AI capacity to deliver financial services. It must be a nation's domestic AI models that must drive its credit decisions, fraud detections, risk pricing, and compliances. Not some foreign model. After all, foreign models might carry assumptions and biases that may go against the interests and contexts of the nation ultimately using them. The nations that fail to build this capacity will end up relying entirely on foreign AI models and risk exposing their financial system's intelligence layer and most sensitive economic data to foreign institutions. Also, the failure to build this capacity would mean that they are agreeing to accepting analytical frameworks that are designed for completely different economic contexts. But honesty demands an admission here that most treatments of digital sovereignty have avoided: for the vast majority of nations, this capacity cannot be built alone. The full stack - frontier-adjacent models, the compute to train and run them, the data infrastructure beneath them - carries a hefty price tag that is measured in trillions of dollars, and the shortcut of importing it wholesale from Beijing merely exchanges one dependency for another, this time with the chains attached at the level of standards, hardware, and political expectation. The realistic unit of financial AI sovereignty is therefore maybe not a nation but a coalition. What nations can and must do individually is retain governance of the applications - the credit models trained on their own populations, the compliance systems answerable to their own regulators. What they must do collectively is pool the layers beneath it: shared regional compute facilities, jointly developed foundation models for financial applications, common data-governance frameworks that keep sensitive economic data within the coalition's jurisdiction. Here, again, the Europe-South axis is the field where feasible collaboration should be explored first. The EU possesses capital, regulatory sophistication, and its own anxieties about dependence on American and Chinese AI stacks; the Global South possesses scale, data, and the demand. Neither can achieve autonomy from Washington and Beijing alone. Together - deliberately excluding neither but depending on neither - they might. Building this pooled capacity, not necessarily at the frontier, but adequate enough to be applied to the most sensitive domestic financial applications, is a rather fundamental

dimension of monetary sovereignty in the AI age.

Thirdly, nations must actively participate in forums that are deliberating upon international payment standards. The forums that are deciding the technical standards for cross-border CBDC interoperability, stablecoin reserve requirement, and AI driven compliance systems, do not see developing nations being well represented. Ultimately, it is the nations that shape the ISO 20022 payment messaging standard, BIS guidelines for cross border CBDC interoperability, FATF guidelines for AI powered AML compliances, and other frameworks, who will shape the terrain on which all the future payment systems are built. Any nation that does not partake in these discussions, is letting others write the rules of the game. Thus, monetary sovereignty in the AI age is not achieved solely by building domestic capabilities, it is also important to have a voice in the international forums where the technical part of the order is being written.

In the end, it is important that nations acknowledge the trade-offs that are at play between the choices they currently have. They could very well choose to join a dollar-denominated stablecoin system that might provide them with almost immediate benefits in terms of high payment efficiency, widescale financial inclusion, and increased access to global digital commerce; but it would lead them to lose their monetary sovereignty. Alternatively, they could build their own infrastructure to preserve monetary and algorithmic sovereignty - but at the cost of time, capital, and potentially even governing authority itself. Short-termism, thus, might prevail in many nations since the incumbent political leaders face continuous pressures from their governed to prioritise myopic economic development over long-term structural autonomy. But, from what can be seen already from the Russian sanctions episode, the Chinese e-CNY programme, and the mBridge initiative collectively, is that in moments where stakes are high, the costs of dependency can exceed the costs of investment in sovereignty by many orders of magnitude.

The monetary order of the AI age is still evolving but the window for making deliberate policies that can help nations retain their monetary sovereignty is narrowing. The architectures that are being built today in the form of protocol specifications, legislative frameworks, and institutional agreements, will decide how monetary power is distributed for decades to come. Those who design these systems, earlier than others, will set its terms of the new monetary order of the AI age. Those who merely adopt them must live by them, and hold their peace.

7. Conclusion: The Algorithm Decides

In 1944, the architects of the post-war monetary order gathered at Bretton Woods to make explicit decisions about the structure of international finance. The dollar's centrality was not exactly inevitable at that point. But, it was a result of specific decisions about reserve currency status, exchange rate management, and the institutional architecture of

the IMF and World Bank. Those choices, made by a small group of people over three weeks in a New Hampshire hotel, shaped the monetary order for the next eighty years. The better design that had been on the table, lost. Keynes had arrived with a plan for an International Clearing Union that would settle balances in bancor, a multilateral reserve unit belonging to no nation. It was defeated not because of its economics but by its politics. He spoke for the largest debtor of the war, and Republican legislators and the New York financial lobby cast his proposal as a gimmick for inflating the world's money supply and absorbing Britain's obligations. The conference was monopolised by two opposed nations - the creditor holding the gold, the debtor holding the argument - while the Soviet delegation worked to divide the Western position, pressed for terms favouring its gold mines, and then declined to ratify at all. Stalin had scarce interest in an arrangement that might have stabilised the capitalist world. Harry White's plan, with its gold anchor and dollar centre, served him better.

Yet, Bretton Woods was not the last time a monetary order was deliberately constructed. When it collapsed in 1971 and dollar convertibility to gold ended, the architecture of dollar dominance was built on the absence of a genuine competitor for offering comparable liquid assets, and strengthened by the petrodollar arrangement of 1974. The monetary order that resulted was not a product of a single grand conference but of deliberate bilateral statecraft which was pursued with precise strategic clarity. The corollary should be put out plainly here, because it is widely misunderstood: no commodity arrangement can substitute for the capacity to issue safe external liabilities at scale. Displacing the dollar would require a rival willing to become indebted on the American scale at the very moment the United States cut its own debt. Absent that second condition, the world would hold more of both and global inflation would surge. There is no room for two hegemonies in debt. The takeaway lesson of this moment in history is that monetary orders, once disrupted, do not reconstitute themselves automatically. They are rebuilt by those who have a strategic vision to recognise the opportunity and the institutional capacity to act on it.

The dawn of the AI age has presented the world with yet another equivalent opportunity. The process with which this monetary order is being reimagined is less legible than the previous two, but no less consequential. The outcome - whether the AI century will further entrench dollar dominance in a new algorithmic form, or produce at last the multilateral anchor that 1944 rejected, or fragment into competing digital currency blocs - remains to be seen. It will depend on the aggregate of design choices made for their financial infrastructure by nations.

However, what is certain is that the nations which approach this moment passively - adopting readily available infrastructure, deferring regulatory decisions, and assuming that monetary arrangements established in the industrial age will persist unchanged into the AI age - are taking a position by default. The position they are taking is one of dependency, either on American stablecoin infrastructure, on Chinese CBDC

architecture, or on the design priorities of institutions whose interests are not identical to their own.

The petrodollar used energy as the lever of monetary power. The compute dollar is poised to now use intelligence as its lever. The difference that offers some relief here is that intelligence, unlike oil, can potentially be developed. But the obstacle is that the AI infrastructure is more oligopolistically concentrated than the oilfields ever were: close to nine-tenths of the world's advanced data centre capacity sits within two jurisdictions, and the capital required to compete is counted in trillions, not even billions. No state outside those two can buy its way to autonomy alone. This is an argument for the two instruments that remain - legislative and monetary regulation to shape the terms on which foreign infrastructure operates, and coalition to make that regulation survivable. A single state that regulates the hyperscalers invites retaliation and negotiates alone. Fifty acting in concert are a market that cannot be walked away from. Of course this can happen if the strategies are right and if investments are made while there is still time. This includes investments in the critical infrastructure of the AI age, AI literacy of the masses, and institutional capacity of the nation. Nations that invest in enhancing their capability to govern their own digital payment infrastructure, to deploy AI under their own governance in the financial domain, and to participate meaningfully in the international forums where technical rules of the new monetary order of the AI age are being written, are the ones who are standing up for themselves and keeping their monetary sovereignty in their own hands.

Yet no national strategy is sufficient on its own. Monetary sovereignty ultimately requires a multilateral order - an IMF empowered to issue a genuine reserve currency, neutral and belonging to no state. That is not politically available today. What is available is the space between the ideal and the possible. The Special Drawing Right already exists as a basket, and a basket is by construction more stable than any single currency within it. A broad coalition, working with willing financial institutions, could sponsor SDR-denominated stablecoins to compete against dollar-pegged ones that are necessarily less stable. This would not overthrow the dollar. It would slow the grassroots dollarization now underway, limit the sovereignty that emerging economies are losing by default, and put market pressure behind a political demand that has gone unanswered for fifty years. A new Bretton Woods will not be convened because it ought to be. It becomes possible only when markets begin to price the alternative.

The monetary order of the AI age is being written in code as much as in treaty. If algorithms are left to run without any deliberate intervention, they will optimize for the encoded interests of the nations that have written the code. Nations that do not insert their own interests into that code will find, in time, that the algorithm and markets have decided for them, unilaterally.

Sources

Nixon, R. (1971). Address to the Nation Outlining a New Economic Policy: "The Challenge of Peace." The American Presidency Project.

<https://www.presidency.ucsb.edu/documents/address-the-nation-outlining-new-economic-policy-the-challenge-peace>

Spiro, D.E. (1999). *The Hidden Hand of American Hegemony: Petrodollar Recycling and International Markets*. Cornell University Press.

International Monetary Fund (2024). *Annual Report on Exchange Arrangements and Exchange Restrictions*. IMF.

<https://www.imf.org/en/Publications/Annual-Report-on-Exchange-Arrangements-and-Exchange-Restrictions>

World Bank (2025). *Remittance Prices Worldwide, Issue 53, March 2025*.

https://remittanceprices.worldbank.org/sites/default/files/rpw_main_report_and_annex_q125_1_0.pdf

World Bank / United Nations (SDG 10.c). Cited in World Bank Open Data Blog, June 2025:

<https://blogs.worldbank.org/en/opendata/the-cost-of-sending-remittances-is-higher-than-3--in-28-countries>

JPMorgan Chase & Co. (2025). *2025 Annual Report: Letter to Shareholders* (Jamie Dimon).

<https://reports.jpmorganchase.com>

DeFi Llama (2025–2026). *Stablecoin Market Capitalization Data*. <https://defillama.com/stablecoins>

CEX.IO (2025). *Stablecoin Landscape: What 2024 Reveals About 2025?* January 31, 2025.

<https://blog.cex.io/ecosystem/stablecoin-landscape-34864>

Circle Internet Group (2025–2026). *USDC Reserve Reports and Transparency Disclosures*.

<https://www.circle.com/en/usdc>

Tether Limited (2025–2026). *USDT Transparency and Reserve Reports (quarterly attestations by BDO)*.

<https://tether.io/transparency/>

Tether Limited (2025). *Q3 2025 Attestation Report (prepared by BDO)*. October 31, 2025.

<https://tether.io/news/tether-attestation-reports-q1-q3-2025-profit-surpassing-10b-record-levels-in-us-treasuries-exposure-accelerating-usdt-supply-amidst-worlds-macroeconomic-uncertainty/>

Tether Limited (2026). *Q4 2025 Attestation*. <https://tetherfacts.com>

US Department of the Treasury — TIC Data (2025). *Major Foreign Holders of Treasury Securities*.

https://ticdata.treasury.gov/resource-center/data-chart-center/tic/Documents/slt_table5.html

Aldasoro, I., Frost, J., and Ito, H. (2025/2026). *"Stablecoins and Safe Asset Prices."* BIS Working Paper No. 1270. Bank for International Settlements. <https://www.bis.org/publ/work1270.pdf>

OECD Economics Department (Roulet, C.) (2026). *"Stablecoins on the Rise: A Risk for Financial Stability?"* OECD EcoScope Blog, January 20, 2026. <https://oecdscopescope.blog/2026/01/20/stablecoins-on-the-rise-a-risk-for-financial-stability/>

European Central Bank (2025). *Financial Stability Review, November 2025.* <https://www.ecb.europa.eu/press/financial-stability-publications/fsr/html/index.en.html>

Lagarde, C. (2026). *"Stablecoins and the Future of Money."* ECB speech, May 8, 2026. <https://www.ecb.europa.eu/press/key/date/2026/html/ecb.sp260508~dd909fbed1.en.html>

Chainalysis (2024). *2024 Geography of Cryptocurrency Report — Latin America Chapter.* October 9, 2024. <https://www.chainalysis.com/blog/2024-latin-america-crypto-adoption/>

Karahan, C.C. and Akgiray, V. (2025/2026). *Turkey Stablecoin Report.* Boğaziçi University Center for Applied Research in Finance (CARF). [Available via Bitget News summary: <https://www.bitget.com/news/detail/12560605339624>]

Morgan Stanley Investment Management (2025). *"Stablecoins: Modernizing Financial Infrastructure."* <https://www.morganstanley.com/im/en-us/individual-investor/insights/articles/modernizing-financial-infrastructure.html>

Yellow Card (2025). *"Stablecoin Adoption in Emerging Markets — The Report for Global Business Leaders."* August 2025. <https://yellowcard.io> (report summary at: <https://nairametrics.com/2025/08/19/nigeria-leads-africas-stablecoin-market-with-22-billion-in-transactions-in-one-year-report/>)

Reuters / PYMNTS (2026). *"Tether Has Blocked \$3.5 Billion in Crime-Linked Stablecoins Since 2023."* February 27, 2026. <https://www.pymnts.com/blockchain/2026/tether-has-blocked-3-5-billion-in-crime-linked-stablecoins-since-2023/>

United States Congress (2025). *Guiding and Establishing National Innovation for US Stablecoins (GENIUS) Act.* Signed into law, July 2025. Full text: <https://www.congress.gov>

Coinbase Developer Documentation (2025). *"Welcome to x402."* <https://docs.cdp.coinbase.com/x402/welcome> (x402 protocol launched May 2025, instant stablecoin payments via HTTP 402)

Bank for International Settlements (2024). *"Project mBridge Reached Minimum Viable Product Stage."* June 2024. https://www.bis.org/about/bisih/topics/cbdc/mcbdc_bridge.htm

Atlantic Council / Cointelegraph (2026). *"China-Led CBDC Platform mBridge Tops \$55 Billion in Transaction Volume."* January 17–18, 2026. <https://cointelegraph.com/news/china-led-cbdc-mbridge-55b-payments>

Atlantic Council CBDC Tracker (2025–2026). <https://www.atlanticcouncil.org/cbdctracker/>

Council on Foreign Relations (2025). *"How to Use Russia's Frozen Assets."*
<https://www.cfr.org/articles/how-use-russias-frozen-assets>

Confiscation of Russian Central Bank Funds (sourced from G7 official statements). [https://www.europarl.europa.eu/RegData/etudes/BRIE/2025/775908/EPRS_BRI\(2025\)775908_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2025/775908/EPRS_BRI(2025)775908_EN.pdf)

Reserve Bank of India / Press Information Bureau, Government of India (2022). *"Central Bank Digital Currency (CBDC) Pilot Launched by RBI."* December 2022.
<https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=1882883>

Reserve Bank of India (2022). *"Concept Note on Central Bank Digital Currency."* October 2022.
<https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/CONCEPTNOTE051022A741D990432242439E22ABDA1A0765.PDF>

People's Bank of China (2021/2022). *Progress of Research & Development of E-CNY in China.* BIS publication (submitted by PBOC). <https://www.bis.org/publ/work1022.htm>

Atlantic Council CBDC Tracker (2025). <https://www.atlanticcouncil.org/cbdctracker/>

European Central Bank (2023–2025). *Digital Euro Project — Progress Reports.*
https://www.ecb.europa.eu/paym/digital_euro/html/index.en.html

European Parliament and Council of the European Union (2023). *Regulation (EU) 2023/1114 — Markets in Crypto-Assets (MiCA).* June 9, 2023.
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1114>

ROBERT TRIFFIN INTERNATIONAL

Université Catholique de Louvain

Place des Doyens 1

B-1348 Louvain-la-Neuve

Belgium

www.triffininternational.eu