

Stablecoins and the emergence of 24/7 capital markets

Standard Chartered · Mei Lam · 2026-09-23 · English original

How interoperable digital money could help tokenised funds and securities move from isolated issuance projects to continuously accessible markets.

Waqar Chaudry Head, Digital Assets, Financing & Securities Services

The first phase of tokenisation proved that assets could be issued and transferred digitally. The next phase must prove that they can be funded, traded, settled, financed and serviced as part of a functioning market. A tokenised fund unit or bond may move at any hour, but that capability has limited value if the investor must still wait for the cash leg, a dealing cut-off, the next valuation point or the opening of a banking window.

This is the structural gap stablecoins may help to close. Their strategic relevance to capital markets is not simply that they allow value to move faster. It is that they can make the money leg digitally available to the same workflows and, in some circumstances, the same networks as the investment asset. That creates the possibility for assets and cash to move together, rather than through a sequence of disconnected systems and reconciliations.

Stablecoins will not create 24/7 capital markets on their own. They could, however, provide an interoperable cash leg within a broader institutional market infrastructure. Liquidity, pricing, investor protection and legal settlement finality must still develop alongside the technology.

What “24/7” actually means

For institutional markets, “24/7” is not a single capability. It may refer to continuous order submission, token transfer, settlement, secondary trading, fund subscriptions and redemptions, or conversion into fiat currency. These capabilities will not develop at the same pace. A credible market model must therefore be explicit about which service is continuously available, at what price, with what liquidity and under which legal and operational controls.

The missing cash leg

Every securities transaction has two sides: the asset and the money used to pay for it. Tokenising only the asset leaves the transaction dependent on off-chain funding confirmations, pre-positioned cash and reconciliation between systems. The asset may move in seconds while the payment follows a conventional timetable.

A regulated stablecoin can potentially be exchanged against a tokenised asset through coordinated delivery-versus-payment. Where the legal framework and technical design support it, the two movements can be linked so that the asset is delivered if, and only if, the payment is made. This can reduce the period during which one party has delivered value but has not yet received the corresponding asset or cash.

The broader benefit is interoperability. Stablecoins may circulate across compatible digital networks

more readily than money confined to a single institution's ledger. They are unlikely to displace commercial bank money, tokenised deposits or central bank money. The more credible future is multi-money: different forms of regulated digital money serving different networks, counterparties and risk requirements, with trusted conversion between them.

Tokenised funds: Subscriptions and redemptions without the traditional clock

Tokenised funds provide one of the clearest early examples. Traditional funds offer familiar governance, portfolio management and investor protections, but subscription and redemption processes remain shaped by cut-off times, batch processing, banking hours and the timing of net asset value calculations.

In a stablecoin-enabled model, an eligible investor could move through funding, unit issuance, custody and books-and-records reconciliation as one controlled digital workflow. Redemption could reverse that process, with the applicable price determined under the fund's rules and proceeds delivered in an accepted form of digital money. The strategic value is not any single technical step, but fewer breaks between the investor, the cash leg and the official fund record.

A continuously accessible settlement instrument could reduce idle cash, improve treasury flexibility and allow investors to move more efficiently between cash-like tokens, tokenised funds and other eligible assets. It can also support automated sweeps, where balances move into or out of short-duration investment products according to agreed rules.

Availability is not the same as liquidity

The hardest question is what happens when an investor requests liquidity while the market for the fund's underlying assets is closed. A token can be transferred around the clock, but an asset manager cannot create genuine liquidity merely by making the unit digitally available.

A 24/7 redemption proposition may require stablecoin or cash buffers, high-quality liquid assets, a market maker willing to hold inventory, committed financing, redemption limits, variable spreads or carefully designed valuation methodologies. For highly liquid strategies, these mechanisms may be manageable. For less liquid assets, continuous secondary trading between eligible investors may be more realistic than an unconditional promise of redemption at a fund-controlled price.

Twenty-four-hour order acceptance is not the same as 24-hour liquidity. Continuous token transfer is not continuous NAV production. Continuous stablecoin movement is not guaranteed continuous conversion into fiat currency.

Secondary markets are the real test

The first wave of tokenisation focused on issuance, custody and primary distribution. The next will be judged by whether eligible investors can trade, settle, finance and mobilise tokenised assets after issuance. That is the point at which digital assets begin to form part of a functioning market.

Stablecoins could provide a common settlement asset for bilateral transactions, request-for-quote models and regulated digital trading venues. A buyer could deliver stablecoins while the seller delivers the tokenised security, using coordinated or atomic settlement where the infrastructure and law permit. The reduction in post-trade steps could lower operational friction and shorten counterparty exposure.

Faster settlement nevertheless involves trade-offs. If settlement moves from T+1 to near-real time, participants may lose some of the netting and liquidity efficiencies of traditional settlement cycles. They may need to pre-fund transactions or hold more intraday liquidity. The industry must therefore optimise

not only for speed, but for the right balance among settlement risk, liquidity usage and market resilience.

Technical transferability does not create market depth. A credible secondary market still requires market makers, reliable pricing, custody connectivity, investor eligibility controls, surveillance, best execution, trading-halt mechanisms and clear settlement-finality rules.

From settlement to collateral and financing

Once tokenised assets and digital money can interact reliably, the opportunity extends beyond outright purchase and sale. The same infrastructure could support collateral pledges, repo, securities lending, margin movements and the automated release or substitution of collateral.

This is where tokenisation can begin to affect capital efficiency rather than merely change the representation of ownership. An eligible asset could be held in custody, traded, pledged, financed, substituted and returned within a governed workflow. Stablecoins could provide the settlement or margin leg, while agreed lifecycle events are automated. The institutional prize is not faster movement alone, but the ability to mobilise assets safely across trading and financing activity.

Interoperability determines whether liquidity scales

A market cannot scale as a collection of digital islands. A stablecoin locked to one platform is another closed payment mechanism. A tokenised security that cannot move between custodians, venues or networks remains a fragmented pool of liquidity.

Interoperability must operate at several levels. Different forms of digital money need credible conversion into commercial bank money, tokenised deposits and, where applicable, central bank money. Public blockchains, permissioned institutional networks and traditional market infrastructure need secure points of connection. Identity, wallet ownership, investor eligibility and transaction-reporting information must move in a controlled and privacy-respecting manner.

Legal and operational interoperability is equally important. Participants must know which record establishes title, when settlement is final, how errors are corrected, which law governs the asset and how servicing events follow the token. The objective is not to place every institution on one chain, but to enable multiple forms of money and multiple asset networks to interact under trusted standards.

Regulation must connect the money and the asset

Regulatory progress should not be measured only by whether a jurisdiction permits stablecoin issuance. For capital-markets use, the rules must also allow an appropriately regulated stablecoin to interact with an appropriately regulated tokenised security or fund unit.

Market participants need confidence that the stablecoin is backed by high-quality reserves, can be redeemed at par and is supported by resilient liquidity arrangements. They also need certainty that the tokenised asset represents an enforceable legal interest, that custody and safeguarding responsibilities are clear, and that settlement is final.

The cross-border dimension is particularly important. The stablecoin issuer, the reserve assets, the tokenised fund, the trading venue, the custodian and the investor may each sit in different jurisdictions. Without workable recognition and consistent standards, liquidity may fragment along national or network lines.

Different jurisdictions are beginning to address the money and asset layers in parallel. In Singapore, the stablecoin framework establishes requirements for reserve assets and timely redemption, while

institutional tokenisation initiatives are exploring tokenised funds and fixed-income products. In the United Arab Emirates, ADGM's framework for fiat-referenced tokens includes requirements covering reserves, governance, disclosures, prudential safeguards and redemption at par, within a broader regulated environment for digital assets and capital-markets activity.

In the European Union, MiCA provides a harmonised framework for relevant crypto-assets and services, while the wider DLT framework supports the development of tokenised financial markets. Together, these approaches illustrate the broader challenge: rules for digital money and tokenised assets must not only be robust independently, but capable of working together in practice.

What a true 24/7 institutional market requires

A functioning 24/7 institutional market requires the asset, money and servicing layers to develop together:

- Trusted digital money. Regulated issuance, robust reserves, redemption at par and resilient liquidity arrangements.
- Legally effective tokenised assets. Clear title, investor rights, transfer restrictions and insolvency treatment.
- Synchronised asset and money movement. Delivery-versus-payment, settlement finality and controlled exception handling.
- Continuous liquidity, not simply continuous technology. Market makers, financing, inventory, redemption buffers and stress controls.
- Digital custody and asset servicing. Safekeeping, books and records, reconciliation, corporate actions and wallet governance.
- Interoperability. Connectivity across blockchains, banks, custodians, trading venues and traditional market infrastructure.
- Institutional controls at digital speed. KYC, AML, sanctions compliance, transaction monitoring, market surveillance, cyber resilience and accountable governance.

The role of banks and securities-services providers

Tokenisation does not remove the need for trusted intermediaries. It changes where they add value. Banks, custodians and securities-services providers can connect stablecoin reserve management, minting and redemption, fiat on- and off-ramps, digital-asset custody, traditional custody, fund administration, transfer agency, collateral and financing.

The future securities-services provider will increasingly orchestrate across traditional and digital markets: connecting on-chain events to legally recognised books and records, applying financial-crime controls, and linking digital networks to existing payment and securities infrastructure. Institutional adoption is more likely when clients can manage digital assets through familiar governance, service and risk frameworks rather than a separate operating model. The role is therefore to support multiple forms of regulated money and multiple networks, not to promote a single instrument or chain.

From always-on tokens to always-on markets

The first phase of tokenisation showed that assets could exist on digital rails. The next phase must show that they can function within markets. Regulated stablecoins could provide an important monetary layer in that transition, not as the only form of digital money, but as part of an interoperable multi-money system.

The transition will be gradual and uneven. Daily NAVs may coexist with continuously transferable fund units. Traditional custodians and central securities depositories may connect to public and permissioned networks. Stablecoins, tokenised deposits and central bank money are likely to serve different but overlapping roles.

The measure of progress is not how many assets have been placed on a blockchain. It is whether investors can subscribe, redeem, trade, settle, finance and mobilise those assets safely across markets. When the asset leg, the money leg and the servicing infrastructure can operate together, tokenisation moves beyond issuance and begins to reshape market architecture.

Pakistan's Islamic finance enters a new phase

As growth reaches critical mass, regional connectivity and Islamic liquidity are reshaping what comes next for f...

Source: <https://www.sc.com/en/news/corporate-investment-banking/stablecoins-and-the-emergence-of-24-7-capital-markets/>