Newrails

The Future of Finance

2026 – 2036

How stablecoins, tokenisation, programmable money, and AI will rebuild the financial system

April 2026

Sources: McKinsey · Citi GPS · Standard Chartered · JPMorgan · IMF · BIS · ECB

a16z · Coinbase · The Block · Jefferies · BCG · Chainalysis · Deloitte · NVIDIA · MIT Technology Review · World Economic Forum

Newrails

Foreword

The financial system is not evolving. It is being rebuilt.

The infrastructure that has moved the world's money for four decades — SWIFT messages, batch settlement, correspondent banking chains, pre-funded nostro accounts — is being replaced by programmable, instant, always-on alternatives. This is not a future scenario. It is happening now. In 2025, stablecoins processed $33 trillion in transfer volume — surpassing the combined throughput of Visa and Mastercard. Ninety percent of financial institutions report active engagement with digital assets. The four largest acquisitions in crypto history all closed in 2025, totalling $6.75 billion. And the regulatory frameworks governing this new infrastructure — MiCA in Europe, the GENIUS Act in the United States, stablecoin ordinances in Hong Kong and Singapore — are now law, not proposals.

This paper maps the decade ahead across seven structural shifts that are already underway. We then offer eleven bold predictions for 2036 — our best evidence-based assessment of where the industry lands. Each shift is independently significant. Together they constitute a once-in-a-generation re-platforming of how money moves, settles, and is programmed.

We wrote this report because most participants in financial services — banks, fintechs, businesses, and policymakers — are underestimating both the speed and the completeness of this transformation. The window to

establish infrastructure positions in the new system is not five years away. It is the twenty-four months immediately ahead.

All projections are attributed to their originators and not endorsed without qualification. Where sources conflict, we say so.

CHAPTER 1

Stablecoins: From Experiment to Financial Infrastructure

The stablecoin market reached approximately $315 billion in circulation at the end of Q1 2026, having grown 49% year-over-year from $205 billion at the start of 2025. The headline market cap understates what is actually happening. The more significant figure is $33 trillion — the transfer volume processed by stablecoins in 2025, up 72% year-over-year. Stablecoins now account for 75% of all crypto trading volume. There are 232 million stablecoin holders globally.

This is not speculative finance. This is payment infrastructure — and it is scaling at a rate that the traditional financial system took decades to achieve.

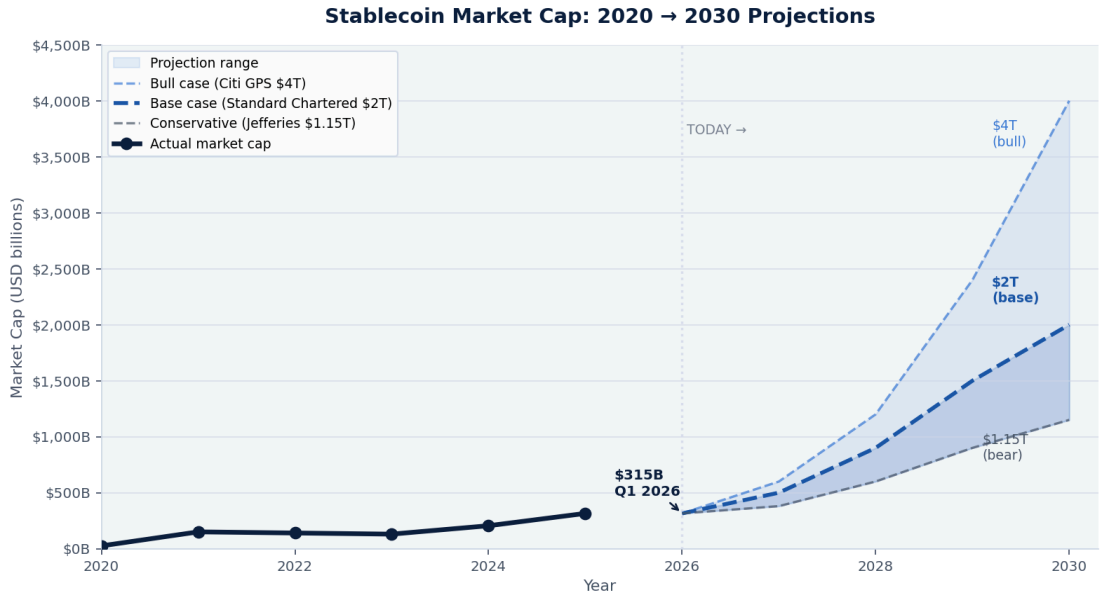

Figure 1 — Stablecoin market cap 2020–2030. Actual data through Q1 2026; projections from Citi GPS, Standard Chartered, and Jefferies.

The Real Payment Signal

A landmark McKinsey/Artemis Analytics study published in February 2026 provided the most rigorous breakdown of stablecoin volume to date. Of the $35 trillion in total on-chain stablecoin volume in 2025, approximately $390 billion constituted real payments — actual commerce, B2B transfers, cross-border settlements — rather than speculative trading, arbitrage, or automated smart contract operations. That real payment figure nevertheless doubled year-over-year.

The standout finding: B2B stablecoin payments accounted for $226 billion in 2025, growing 733% year-over-year. This is not a marginal trend in a niche market. It is the fastest-growing segment in international financial services, full stop. Stablecoin-linked card spending through Visa's programmes grew 460% year-over-year. B2B cross-border settlement is structurally replacing correspondent banking in the corridors where stablecoin infrastructure has been deployed.

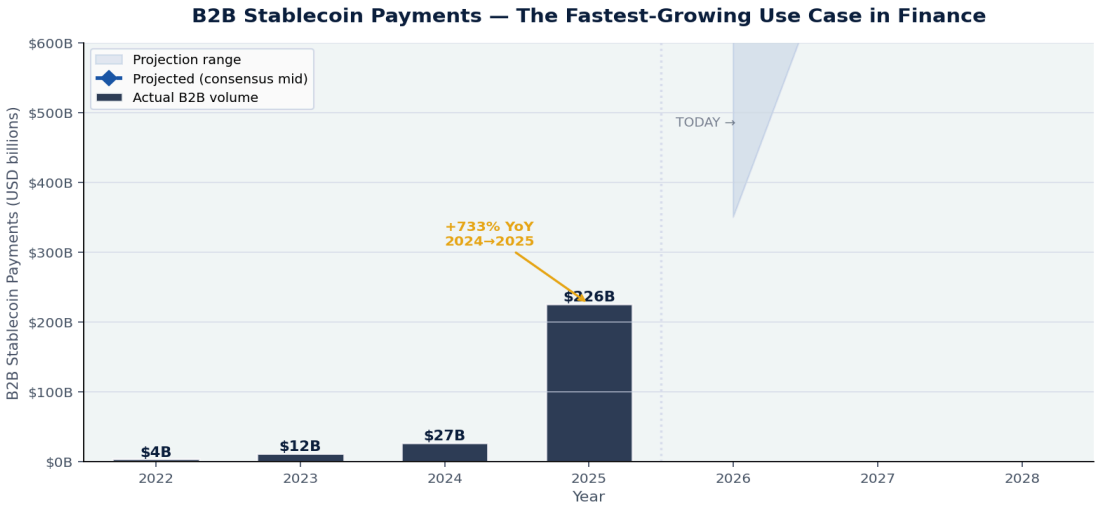

Figure 2 — B2B stablecoin payment volumes 2022–2025 (actual) with consensus projection. Source: McKinsey / Artemis Analytics, February 2026.

Where the Market Goes

The institutional projection range has narrowed considerably. Standard Chartered maintains a $2 trillion target by end of 2028, arguing this represents macroeconomic migration rather than speculative growth — and would generate approximately $1 trillion in new US Treasury bill demand. Citi's GPS research unit projects $1.9 trillion (base case) to $4.0 trillion (bull case) by 2030. Jefferies offers $800 billion to $1.15 trillion. JPMorgan, the most conservative, projects $500–600 billion by 2028.

The growth engine is utility, not speculation. Stablecoins solve a genuinely expensive problem: the cost of moving money across borders. The correspondent banking system freezes an estimated $10 trillion in pre-funded accounts globally at any given time. Cross-border fees run 2–6%. Settlement takes days. Stablecoins offer settlement in seconds at fees below 0.1%. This is not a marginal improvement. It is a structural replacement.

The EUR Stablecoin Gap

The most striking structural imbalance in the stablecoin market is the EUR gap. The total EUR stablecoin market stands at approximately $872 million — less than 0.3% of global stablecoin supply — despite the euro representing 20–25% of global financial activity. Circle's EURC leads at $450–460 million, having grown 102% since MiCA enforcement began. Banking Circle's EURI has grown to $150–170 million. Monerium's EURe holds $55–80 million.

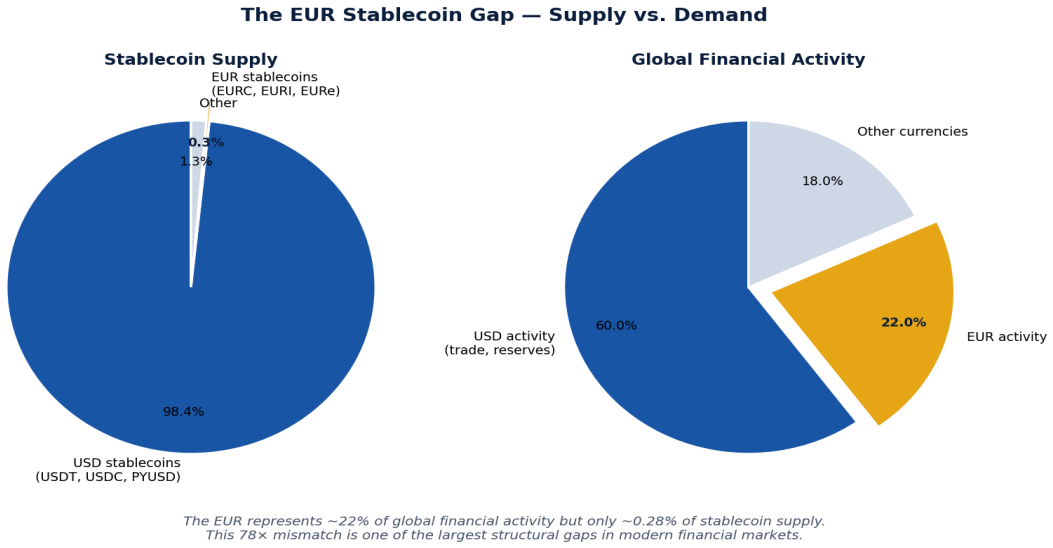

Figure 3 — EUR stablecoin supply vs. EUR share of global financial activity. The 78× mismatch is one of the largest structural gaps in modern financial markets.

A consortium of twelve major European banks — ING, UniCredit, BNP Paribas, BBVA, and others — is targeting a EUR stablecoin launch in H2 2026 under the Qivalis initiative, explicitly targeting global leadership in EUR stablecoin issuance. This will accelerate correction of the EUR mismatch. The entities that build the conversion, settlement, and distribution infrastructure for this expansion will capture value regardless of which EUR stablecoin ultimately prevails. Infrastructure is more durable than issuance.

The EUR stablecoin market is 78× smaller than Europe's share of global financial activity. Correcting that mismatch is not

inevitable — it requires infrastructure. That infrastructure is being built right now.

CHAPTER 2

Tokenisation: The $16 Trillion Migration

Tokenised real-world assets surpassed $36 billion in 2025, with six categories independently exceeding $1 billion. Tokenised US Treasuries alone surpassed $11 billion across 65 products. BlackRock's BUIDL fund reached $2.0–2.85 billion across eight blockchains and became tradeable on Uniswap — BlackRock's first direct DeFi engagement. NYSE announced a partnership with Securitize for 24/7 tokenised equity trading. Nasdaq received SEC approval for tokenised securities trading. DTCC, which settles $2.4 quadrillion annually, will tokenise DTC-custodied US Treasury securities on the Canton Network in 2026.

These are not pilots. These are production deployments of the world's most prestigious financial institutions — and they represent a fraction of what is coming.

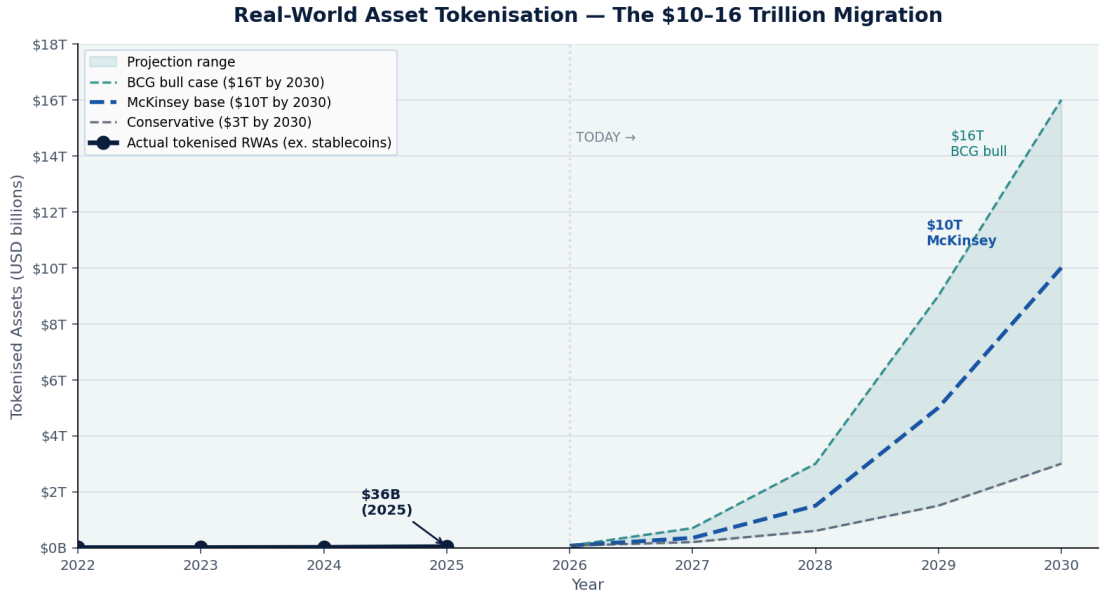

Figure 4 — Real-world asset tokenisation trajectory 2022–2030. Sources: BCG, McKinsey, Standard Chartered. Actual data through Q1 2026.

Every Asset Needs a Cash Leg

The economic logic of tokenisation is straightforward: when a bond, fund, or equity stake is tokenised, it needs to settle against digital cash — a stablecoin, a tokenised bank deposit, or a wholesale CBDC. JPMorgan's $1.4

trillion Global Liquidity business, including $1.1 trillion in money market funds, is actively building tokenised MMF infrastructure that settles 60–90 minutes faster than traditional delivery-versus-payment. Atomic settlement in stablecoins or deposit tokens is the target state.

Goldman Sachs and BNY Mellon have announced an initiative to tokenise the $7.1 trillion money market fund industry. The Irish Funds industry estimates that tokenised fund AUM alone could reach $600 billion by 2030. Every tokenised asset in European markets operating under MiCA and the DLT Pilot Regime will increasingly need a MiCA-authorised EUR-denominated settlement asset as the digital cash leg.

The infrastructure gap is striking: the technology to tokenise assets has outpaced the infrastructure to settle them compliantly. That gap is the commercial opportunity.

The DLT Pilot Regime: Europe's Proving Ground

The EU DLT Pilot Regime allows trading venues and settlement systems to operate DLT-based market infrastructure within defined thresholds. Clearstream, Euroclear, and Deutsche Börse are among the participants. ESMA's comprehensive review (due March 2026) is expected to recommend raising the aggregate market cap from €6–9 billion to €150 billion — a 25x expansion. Europe's first fully licensed DLT trading and settlement system, 21X, launched in September 2025. These venues require compliant on-chain EUR settlement as their cash leg. The institutions that establish themselves as that settlement layer during the pilot phase are positioning for the permanent architecture.

BCG projects $16 trillion in tokenised assets by 2030 — roughly 10% of global GDP. Every single one of those assets will need a cash leg. In Europe, that cash leg must be MiCA-compliant.

CHAPTER 3

AI and the End of Conscious Finance

By the early 2030s, the conscious act of 'doing banking' will largely disappear. This is not hyperbole — it is the convergent conclusion of research from ISG, McKinsey, BCG, Gartner, and MIT. ISG forecasts that by 2030, AI-powered agents will manage 60% of personal financial operations. Gartner forecasts 33% of enterprise software will include agentic AI by 2028, up from less than 1% in 2024. McKinsey projects that banks could realise

$700 billion in cost savings through AI adoption. BCG adds another $370 billion in additional profit potential on top of that.

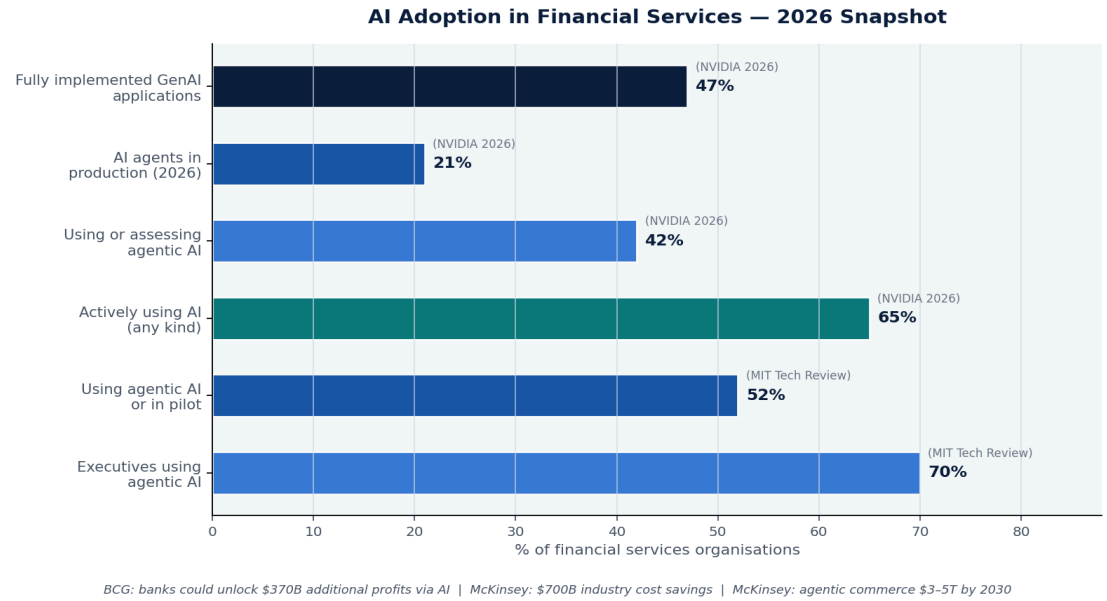

Figure 5 — AI adoption across financial services, 2026. Sources: NVIDIA State of AI in Financial Services 2026; MIT Technology Review 2025 banking survey.

The Klarna Lesson

Klarna's AI assistant handled 2.3 million conversations monthly — the equivalent of 700 full-time agents — cutting average resolution time from 11 minutes to 2. Customer satisfaction initially matched human agents. By 2025, quality declined on complex cases, and Klarna actively rehired human agents, landing at a 70/30 AI/human model as the operational reality. This pattern will repeat across financial services: AI handles 70–80% of volume, humans handle 20–30% of complexity and empathy. JPMorgan's COiN system already saves 360,000 lawyer-hours annually. Oracle Financial Services deployed agentic AI for credit decisioning and collections in 2026.

The more consequential implication: whoever controls the AI agent controls the customer relationship. McKinsey estimates that third-party AI agents could redirect $170 billion in annual bank profits. Goldman Sachs estimates $4.7 trillion in annual bank revenue is at risk of displacement. If your customers' financial decisions are managed by an AI agent that your bank does not control, the bank becomes invisible infrastructure — essential but margin-squeezed.

Agentic Payments: Three Standards Competing

The more transformative development is not AI inside banks — it is AI agents that transact autonomously, using programmable money, without banks at all. Three competing standards emerged in rapid succession in 2025–2026.

Coinbase's x402 protocol (launched May 2025) revived the dormant HTTP 402 'Payment Required' status code to embed stablecoin micropayments directly into web requests. It has 22 founding members — Coinbase, Cloudflare, Stripe, AWS, Google, Microsoft, Visa, Mastercard, and Circle — and processed 119 million transactions on Base alone. Stripe and Paradigm launched the Machine Payments Protocol in March 2026, with design partners including Visa, Deutsche Bank, OpenAI, and Anthropic. Google's Agent Payments Protocol (AP2) focuses on trust through Verifiable Digital Credentials, with 60+ partner organisations.

McKinsey projects global agentic commerce could reach $3–5 trillion by 2030. The critical insight is mechanical: AI agents do not incur mental transaction costs. A human will not pause to authorise a $0.003 payment. A machine will execute it millions of times per day without hesitation. This makes true micropayments economically viable for the first time in history — and it makes programmable, instant, low-fee settlement rails a structural prerequisite for the agentic economy.

AI agents do not incur mental transaction costs. Stablecoins do not have banking hours. These two facts together make programmable digital money the native currency of the next economy.

The Programmable Money Foundation

China's Digital RMB 2.0, formally integrated smart contracts at the protocol level on January 1, 2026. By then, the e-CNY had processed 3.48 billion cumulative transactions worth ¥16.7 trillion ($2.38 trillion), with 225 million personal wallets. Agricultural subsidies are coded for approved purchases. Construction wages flow through programmable channels with automatic compliance verification. Singapore's Purpose Bound Money pilots have disbursed over S$22 million in construction projects, with OCBC's conditional payments auto-releasing funds when contract conditions are met. By 2033, programmable payment flows could represent $10–15 trillion annually across CBDCs, tokenised deposits, and smart contract rails.

CHAPTER 4

CBDCs: The Public Money Layer

A 2024 BIS survey found that 85 out of 93 central banks are exploring central bank digital currencies. Forty-three percent have accelerated their CBDC work specifically in response to stablecoin developments. The trajectory is not uniform — and that non-uniformity is itself one of the defining structural facts of the decade ahead.

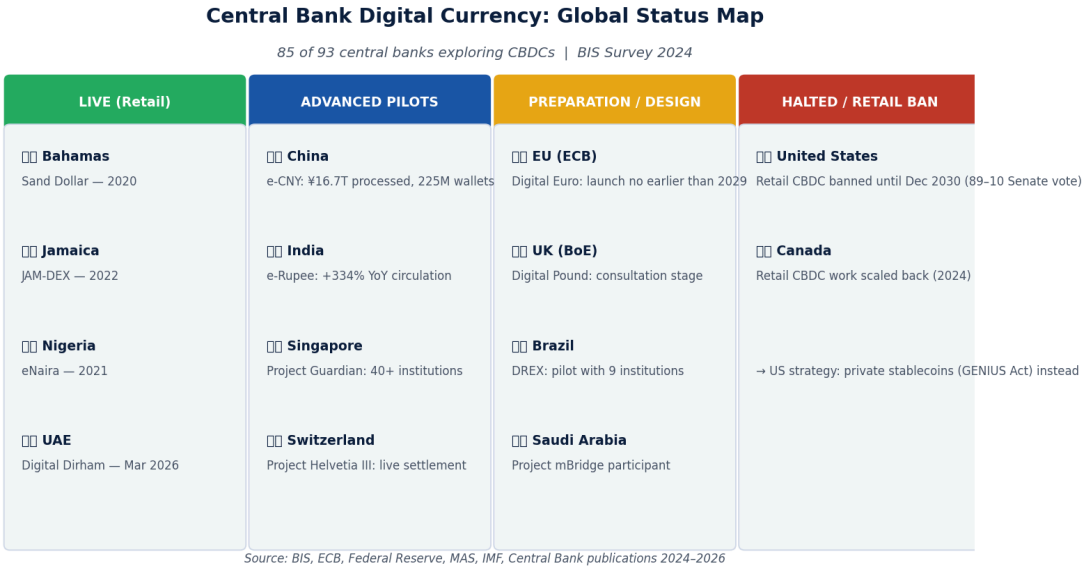

Figure 6 — CBDC global status by jurisdiction, April 2026. Sources: BIS, ECB, Federal Reserve, MAS, IMF.

The Digital Euro: Architecture of a Decade-Long Project

The ECB's digital euro completed its preparation phase in October 2025 and entered technical readiness. European technical standards are expected by summer 2026. A retail launch — if the political decision is taken — would be no earlier than 2028–2029. The design parameters now have reasonable clarity: holding limits of €3,000–4,000 per person to prevent deposit flight from commercial banks; mandatory merchant acceptance; distribution through existing payment service providers including EMIs; no programmability or expiry dates; an estimated build cost of €1.3 billion.

The ECB's repeatedly stated position is critical for understanding the commercial landscape: it does not intend to compete with private stablecoins for commercial uses — programmable settlement, DeFi collateral, cross-border corridors, machine-to-machine transactions. The digital euro is public money for retail payments. Private EUR stablecoins serve the commercial programmable layer. This is not a competitive threat

to private stablecoin operators — it is a regulatory endorsement of the commercial layer.

The US Pivots to Private Stablecoins

The United States Senate voted 89–10 to ban a retail CBDC until December 2030. The GENIUS Act — the US stablecoin regulatory framework — was enacted in 2025, creating a federal licensing framework for payment stablecoin issuers. This is the most consequential single regulatory decision in digital finance since MiCA: the world's largest economy has explicitly chosen to advance financial innovation through private, regulated stablecoins rather than a state-issued CBDC.

The geopolitical dimension is significant. China and BRICS+ nations are advancing wholesale CBDC infrastructure — Project mBridge — specifically designed to bypass the SWIFT correspondent banking network and reduce dollar dependency. The US response is to position the dollar-backed private stablecoin as the instrument of dollar projection. Tether and Circle become, in effect, instruments of US financial statecraft. The stablecoin market is not merely a fintech story. It is a geopolitical competition over the architecture of international money.

The Two-Tier Monetary Architecture

The emerging architecture is neither CBDCs nor stablecoins in isolation. It is both. Central bank digital money handles wholesale settlement and provides systemic stability. Private stablecoins serve retail payments, cross-border corridors, DeFi integration, and programmable use cases. Singapore's Project Guardian has transitioned from pilots to production with 40+ institutions. Switzerland's Project Helvetia III has issued tokenised wholesale CBDCs for live settlement. BIS Project Agorá — involving seven central banks and 41+ private institutions, testing a multi-currency unified ledger — is expected to launch fully in H2 2026.

The ECB has explicitly identified regulated stablecoins as settlement assets alongside wholesale CBDC and tokenised bank liabilities in its Project Guardian and Project Pontes work. For licensed EMIs and stablecoin issuers, the central bank community is not building competition — it is building the public layer and explicitly signalling that the commercial layer belongs to private operators.

CHAPTER 5

Traditional Banking: Re-Layering, Not Extinction

The narrative that crypto replaces banks is wrong. The correct reading of the evidence is that financial services are being re-layered. Incumbents are absorbing blockchain infrastructure. New entrants are competing for different segments of the stack. The banks that survive and thrive in 2033 will be the ones that understand which layer they want to own — and act accordingly with sufficient urgency.

PSD3/PSR: The Structural Shift in European Payments

PSD3/PSR, agreed in provisional political form in November 2025 and expected to apply fully between H2 2027 and Q2 2028, is the most significant structural overhaul of European payments regulation in a decade. It repeals both PSD2 and the Electronic Money Directive, consolidating payment institutions and EMIs into a single supervisory framework. The most consequential provision: non-bank payment service providers — including licensed EMIs — gain direct access to central bank-operated payment systems, bypassing sponsor bank dependency entirely.

Combined with the SEPA Instant Payments Regulation, fully mandated since October 2025 (10-second settlement, equal pricing to standard SEPA), an EMI can now offer hybrid settlement combining SEPA Instant for fiat with stablecoin settlement for on-chain operations — without any bank intermediary. PSD3 is systematically dismantling the structural advantages that legacy banks held in European payments.

Big Tech: The Customer Interface War

Apple Pay processes an estimated $450 billion in US in-store purchases annually across 650 million global users. Google Cloud generates over $60 billion in annual revenue from financial services partnerships. Amazon Lending has facilitated $4.7 billion in merchant loans, using real-time sales data, with sub-2% default rates. Meta is preparing stablecoin payment integration across Facebook, Instagram, and WhatsApp for H2 2026, reaching 3 billion users.

Shopify has distributed $4.2 billion in merchant financing. Square has lent $22 billion to small businesses. McKinsey estimated that embedded finance platforms now capture 26% of the SME banking market. Every vertical SaaS platform is adding financial services — loans, insurance, payments, FX — at

the point of commercial need. Goldman Sachs estimates $4.7 trillion in annual bank revenue is at risk of displacement. The capital flows to where the data lives, and the data lives on platforms.

The Three-Layer Model

The emerging financial architecture has three functional layers. Big Tech platforms and consumer fintechs own the customer interface — competing on UX and increasingly commoditised. Regulated entities — banks and licensed non-banks — provide balance sheet capacity, deposit insurance, and the licences that make everything legally operable. Between them sits the most valuable layer: licensed regulated middleware that allows platforms to embed financial services without obtaining their own authorisations.

This is why Stripe acquired Bridge for $1.1 billion on $10–15 million in revenue. Why Mastercard acquired BVNK for $1.8 billion on approximately $40 million in revenue. The regulatory stack — EMT authorisation, CASP, SEPA connectivity, card programme, developer API — is extraordinarily difficult to replicate and commands strategic premiums that multiples-based valuations cannot fully explain.

The bank of 2033 will not be replaced. It is invisible. It provides the balance sheet and the licence. The AI agent provides the interface. The regulated middleware layer, sitting between them, captures the margin.

CHAPTER 6

The Regulatory Revolution

The most important development in digital finance in 2025 was not a product launch or a market price movement. It was the global convergence on regulatory frameworks for stablecoins. For the first time, the major financial blocs — Europe, the United States, the United Kingdom, Hong Kong, Singapore, the UAE — have moved from enforcement-based hostility to legislation-based accommodation. The regulatory environment for compliant operators has fundamentally and durably changed.

MiCA: Europe's First-Mover Advantage

MiCA entered full enforcement in December 2024, covering EMTs (e-money tokens), ARTs (asset-referenced tokens), and CASPs (Crypto-Asset Service

Providers). It is the world's most comprehensive crypto-asset regulatory framework. For MiCA-authorised operators, the advantages compound over time: EU-wide passport eliminating 27 separate national applications; legal certainty that allows institutional counterparties to transact; a growing barrier to entry as the authorisation queue for competitors grows; and 12–18 months of structural advantage for existing EMI holders pursuing CASP authorisation under the EBA No Action Letter issued March 2026.

MiCA's comprehensive review covering DeFi is due June 30, 2027. Whether Europe extends its framework to cover decentralised protocols will shape institutional DeFi adoption in the EU for the decade that follows. The entities that have built compliant infrastructure by that review will operate within the framework regardless of how it extends. Those that have not will face another years-long compliance rebuild.

Global Convergence

The US GENIUS Act, enacted in 2025, creates a federal licensing framework for payment stablecoin issuers with Federal Reserve oversight and 1:1 reserve requirements. Hong Kong's Stablecoins Ordinance passed in 2025, with first licences expected in 2026. Singapore's MAS Payment Services Act explicitly covers stablecoin issuers, with Project Guardian operationalised across 40+ institutions. The UAE's VARA framework is operational. Japan's revised PSA allows licensed entities to issue yen-pegged stablecoins.

This convergence is commercially significant: as major jurisdictions align on equivalent frameworks, passporting and mutual recognition arrangements become possible. An operator authorised under MiCA and Singapore's MAS framework can serve European and ASEAN clients through a single authorisation architecture. The compliance cost of global expansion falls for those who established compliant infrastructure early.

Compliance as Competitive Moat

As DAC8 (EU crypto tax reporting), AMLA (Anti-Money Laundering Authority, operational by 2026), the AI Act, PSD3, FiDA, and DORA layer onto MiCA, the compliance burden for digital financial service providers rises. But for operators already holding authorisations, each new requirement raises the barrier to entry for new competitors rather than creating net new cost for incumbents. The FATF Travel Rule now operates in 99 jurisdictions. North Korea's $2 billion in crypto thefts in 2025 has accelerated mandatory asset-tracing requirements globally.

Regulatory complexity, paradoxically, compounds the moat of operators who have already built compliant infrastructure. The compliance stack is not overhead. In a market where 95% of participants are not yet compliant, it is the primary source of competitive differentiation.

CHAPTER 7

DeFi: From Speculation to Institutional Infrastructure

DeFi's total value stood at approximately $94 billion in March 2026. The headline number obscures a structural transformation. ETH deposited in DeFi protocols rose from 22.6 million to 25.3 million during a price-driven decline — indicating genuine capital commitment, not speculative positioning. The composition of participants has changed. The use cases have migrated from pure speculation toward functional financial infrastructure.

The Numbers That Matter

Aave surpassed $1 trillion in cumulative loan originations — a figure comparable in scale to JPMorgan's consumer lending portfolio. Maple Finance scaled from $516 million to $4.59 billion in AUM (767% growth) by targeting institutional and corporate borrowers. Decentralised exchanges now command roughly 20% of spot trading volume and 26% of perpetual derivatives volume globally.

The convergence of DeFi and traditional finance moved from theoretical to operational. BlackRock's BUIDL tokenised money market fund became tradeable on Uniswap with whitelisted market makers — merging TradFi institutional capital with DeFi liquidity. BlackRock separately purchased UNI governance tokens. JPMorgan launched JPMD, a tokenised deposit on Coinbase's Base network. Goldman Sachs and BNY Mellon announced their initiative to tokenise the $7.1 trillion money market fund industry using DeFi rails. SWIFT — connecting 11,500 banks — added blockchain wallet addresses to payment messages via Chain Link CCIP in November 2025 and is building a shared ledger with 30+ banks from 16 countries.

The Hybrid Architecture

The DeFi architecture of 2026 is not the permissionless, anonymous environment of 2020. It is permissioned collateral with permissionless liquidity. Institutional pools use KYC-verified addresses. Smart contract

auditing has evolved from one-time reviews to continuous automated monitoring with mandatory circuit breakers. Permissioned DeFi — 'walled gardens' compliant with banking capital requirements — is the institutional standard.

For financial infrastructure providers, DeFi's institutional maturation creates a concrete opportunity: serving as the compliant on-ramp. DeFi protocols need compliant EUR-denominated liquidity. Asset managers tokenising funds need settlement rails. Corporate treasuries exploring on-chain yield need regulated counterparties. All of these require the same interface between regulated finance and on-chain protocols — and that interface requires exactly the combination that MiCA creates: EMT authorisation plus CASP plus SEPA connectivity.

DeFi is becoming a programmable fixed-income infrastructure. By 2030, the line between 'on-chain finance' and 'off-chain finance' will have largely disappeared. What remains is simply: fast, programmable, compliant — or slow, manual, expensive.

CHAPTER 8

The New Payment Card Economy

Payment cards will not die. They will become invisible. The 16-digit card number, the plastic rectangle, the conscious act of choosing a payment method — all of these will largely vanish by the early 2030s. What survives is the underlying trust layer that Visa and Mastercard spent decades building, now repurposed as interoperability infrastructure for a rail-agnostic world.

The Card Networks' Stablecoin Pivot

Visa had $3.5 billion in annualised stablecoin settlement volume as of late 2025, with USDC settlement live for US issuers through Circle's infrastructure. Its partnership with Stripe's Bridge enables stablecoin-backed Visa cards in 18 countries today, expanding to 100+ countries by the end of 2026. CEO Ryan McInerney has positioned stablecoins as 'next-generation settlement infrastructure.' Visa's strategic intent is to own the interoperability and trust layer atop all rails — fiat, blockchain, stablecoin, real-time.

Mastercard has committed to phasing out 16-digit card numbers entirely by 2030, replacing them with tokenisation and biometric passkeys. Its acquisition of BVNK for $1.8 billion in March 2026 — a stablecoin-native payment infrastructure provider — demonstrates that the card networks

believe stablecoin infrastructure warrants acquisition-level capital deployment. Coinbase, MetaMask, and Binance all launched Mastercard partnerships in 2025.

STABLECOIN CARD ECONOMY — KEY DATA	
Monthly crypto card spending (Dec 2025)	$1.5 billion
Annualised stablecoin card run rate	~$18 billion
Compound annual growth (Jan 2023–Dec 2025)	~147%
Visa stablecoin settlement volume (annualised)	$3.5 billion
Visa card programme expansion (2026)	100+ countries
Coinbase/MetaMask/Binance — Mastercard partnerships	2025 launches

The market structure for stablecoin cards is still forming. The constraint is not consumer demand — it is the supply of regulated, compliant card programmes in major jurisdictions. An entity holding EMT authorisation plus CASP plus a card programme relationship within a single regulated structure is extraordinarily rare. That rarity is the commercial opportunity.

CHAPTER 9

Cross-Border Payments: The $10 Trillion Opportunity

Cross-border payments represent one of the clearest commercial opportunities in financial services today. The problem is large ($10 trillion frozen in pre-funded accounts). The incumbent solution is expensive (2–6% fees) and slow (2–5 business days). The stablecoin alternative is materially superior on every measurable dimension. And the regulatory environment now exists in major corridors to make it deployable at scale.

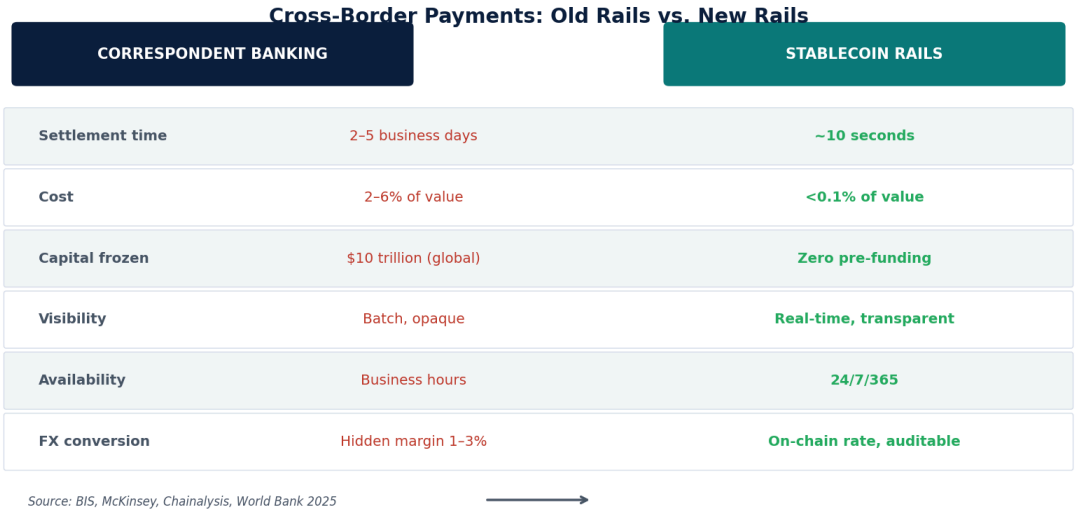

Figure 7 — Cross-border payment comparison: correspondent banking vs. stablecoin rails. Sources: BIS, McKinsey, Chainalysis, World Bank 2025.

The stablecoin 'sandwich' architecture is already the dominant model for emerging market corridors: fiat on-ramp in the sending country, stablecoin transfer, fiat off-ramp in the receiving country. The economic case is arithmetically compelling. A $10,000 B2B payment across a typical banking corridor costs $300–600 in fees (Swift and FX) and takes up to five working days under the correspondent model. The stablecoin equivalent costs under $10 and settles in seconds. This is not a marginal improvement — it is a structural category change.

The Corridors That Matter

Not all cross-border corridors are equally attractive. The Singapore–Southeast Asia corridor is the most frequently cited near-term opportunity: Singapore has clear regulation, strong fintech infrastructure, and serves as a gateway to a $2.4 trillion ASEAN payments market. The UK–Europe corridor matters post-Brexit, where regulatory divergence has created friction in previously smooth flows. The EU–UAE corridor offers strong B2B volume and the UAE's favourable crypto regulatory environment. The EU–Latin America corridor represents enormous remittance potential at structurally high current fees.

The Off-Ramp Problem

Building stablecoin payment corridors requires solving the last-mile conversion problem: accepting stablecoin balances and paying out in local fiat currency through local payment infrastructure. The quality and reliability of off-ramp partners is the operational bottleneck in corridor development. The entity that builds the best network of compliant off-ramp

relationships establishes a durable competitive advantage — because corridor businesses have strong network effects: each new corridor adds value to all existing participants, and client switching costs rise with network breadth.

CHAPTER 10

The New Geography of Finance

The financial system of 2036 will not be defined by the institutions that dominated 2006. It will be defined by the jurisdictions and operators that most successfully built compliant digital money infrastructure during the window of 2026–2028. That window is now open. It will not remain open indefinitely.

Europe: Regulatory Lead, Infrastructure Lag

Europe has the most comprehensive regulatory framework for digital finance in the world — MiCA, PSD3, DLT Pilot Regime, eIDAS 2.0, DORA, FiDA. It is the only jurisdiction that has simultaneously defined rules for stablecoins, tokenised assets, crypto-asset services, payment institutions, digital identity, and operational resilience as an integrated legislative package. The regulatory moat is real.

The risk is that European institutions move slowly relative to their regulatory advantage. The Qivalis bank consortium's 2026 EUR stablecoin launch will accelerate the market significantly — but a consortium of major banks is, by design, a deliberate infrastructure project, not a fast-moving startup. The speed and flexibility advantage belongs to licensed non-bank operators who can deploy developer infrastructure rapidly. The 24-month window before the Qivalis institutional infrastructure arrives at scale is Europe's most important current commercial window.

eIDAS 2.0 is binding EU law: by December 2026, every EU member state must offer at least one EUDI digital identity wallet. By November 2027, regulated private sectors must accept it. The EU targets 80% adoption by 2030, serving 360 million European citizens. For financial services, EUDI Wallets will replace legacy KYC onboarding — estimated to save €860 million–€1.7 billion annually in EU financial services onboarding costs and €1.1 billion–€4.3 billion in fraud reduction. Operators that integrate EUDI Wallet credentials early will have structurally lower onboarding costs and superior AML/KYC positions.

United States: Deferred Public, Accelerated Private

The US has made a clear strategic bet: private stablecoins as the instrument of dollar dominance. The GENIUS Act creates the framework; USDC and USDT are the instruments; Stripe, Visa, Mastercard, and Coinbase are the distribution infrastructure. The US will not have a retail CBDC before 2030 by law. What it will have is the most aggressively distributed private stablecoin ecosystem in the world, supported by the strongest domestic capital market.

For European operators, the US is both a model and a competitive threat. Circle's EURC — a US company issuing a EUR stablecoin under MiCA — is already the largest EUR stablecoin by market cap. The question for European-domiciled operators is whether they can establish market position before US-based operators fully colonise the EUR stablecoin infrastructure layer.

Asia-Pacific: Multiple Frameworks, High Speed

Singapore, Hong Kong, and the UAE are competing aggressively for digital finance leadership. Singapore's Project Guardian, now in production with 40+ institutions, has made the city-state the most advanced real-world implementation of DeFi-meets-TradFi infrastructure globally. Hong Kong's crypto licensing framework allows retail crypto access — more permissive than Singapore's current rules — positioning it as the APAC gateway for retail digital asset products. The UAE's VARA framework and the March 2026 Digital Dirham retail launch position Abu Dhabi and Dubai as the Gulf corridor's digital finance hub.

The ASEAN digital finance market — 680 million people, $2.4 trillion in payments volume, historically underserved by correspondent banking — represents the highest-growth opportunity for compliant cross-border stablecoin infrastructure globally. Operators that establish Singapore or Hong Kong regulatory presence alongside EU MiCA authorisation have the infrastructure architecture to serve the full developed-world corridor map.

Emerging Markets: Leapfrogging the Legacy

The most structurally disruptive force in global finance is the combination of stablecoins, mobile phones, and 1.3 billion unbanked adults — 900 million of whom own a smartphone. Countries in Sub-Saharan Africa, Southeast Asia, and Latin America that cannot afford to build 20th-century banking infrastructure are leapfrogging it entirely. M-Pesa showed the model in 2007; stablecoin infrastructure is its 2026 equivalent at global scale. For

cross-border payment operators, these markets offer the highest fee differential between incumbent and stablecoin solutions — and therefore the most compelling commercial economics.

CHAPTER 11

Eleven Predictions for 2036

These are not consensus views. They are evidence-based assessments of where the structural forces described in this paper converge. Each is grounded in data cited above. We expect to be wrong on timing for some of these — the question is direction, not precision.

01
2028–2033

Stablecoins exceed $3 trillion in global circulation

The consensus range of $2–4T by 2030 suggests $3T+ by 2033–2036. At $3T, stablecoins represent roughly 20% of M1 money supply for major economies. USD stablecoins maintain ~60% share; EUR stablecoins correct toward 15–20% ($450B–$600B range). Correspondent banking handles <20% of international settlements.

02
2030–2032

The conscious act of 'paying' largely disappears for consumers

AI agents manage 60–70% of routine financial decisions. Card numbers have been replaced by biometric tokens. 'Choosing how to pay' joins 'manually dialling a phone number' as an obsolete behaviour. Visa and Mastercard are the invisible orchestration layer beneath AI-routed transactions.

03
2030–2033

Tokenised assets exceed $10 trillion — and settlement becomes atomic

BCG's $16T projection by 2030 may be aggressive; $10T by 2033 is our base case. NYSE, Nasdaq, and major European exchanges have all transitioned to 24/7 tokenised trading by then. Settlement is atomic — DvP in seconds against stablecoin or CBDC cash legs, not T+1 or T+2.

04
2028–2029

The digital euro launches and proves less disruptive than feared

The ECB launches a retail digital euro by 2029, with €3,000–4,000 holding limits that prevent significant deposit flight. Usage concentrates in domestic retail; the programmable commercial layer remains entirely with private stablecoin operators. The main effect: it accelerates MiCA-compliant EUR stablecoin adoption as the institutional settlement layer.

05
2027–2030

eIDAS 2.0 wallets kill legacy KYC in the EU

By 2030, 80%+ of EU adults hold an EUDI digital identity wallet. Financial services onboarding that previously took days takes minutes. Selective disclosure (prove income range, not exact salary; prove age >18, not birthdate) becomes standard. Banks that built onboarding around paper documents are structurally disadvantaged.

06
2026–2029

At least three more $1B+ acquisitions of licensed digital finance infrastructure

The Bridge ($1.1B) and BVNK ($1.8B) transactions are not anomalies. They define the template: rare, multi-jurisdiction, API-native regulatory stacks command strategic premiums that revenue multiples cannot explain. PayPal, JPMorgan, Visa, and several major EU banks are the most likely acquirers. Targets: licensed EMT+CASP combinations with developer ecosystems.

07
2028–2031

AI agents transact $1 trillion annually without human authorisation

Machine-to-machine commerce, enabled by x402, Machine Payments Protocol, and successor standards, scales from hundreds of millions to trillions. Most transactions are under $0.10. The infrastructure requirements — programmable, instant, sub-cent settlement, 24/7 availability — are achievable only on stablecoin rails.

08
2028–2030

DeFi TVL exceeds $500 billion with institutional capital dominant

DeFi's transition from retail speculation to institutional fixed-income infrastructure completes by 2028–2030. Aave, Compound, and Maple serve as the bond market for digital assets. BlackRock, Goldman Sachs, and JPMorgan are all active participants. The question of DeFi regulation is settled: permissioned pools, verifiable credentials, and mandatory circuit breakers become standard.

09

2029–2032

Traditional correspondent banking handles under 30% of global B2B cross-border payments

Currently handling 80%+ of international B2B settlement, correspondent banking loses its dominant position to stablecoin-based corridors. The $10T in pre-funded accounts shrinks to under $3T. SWIFT survives by becoming a messaging layer atop blockchain rails — its shared ledger initiative, already in MVP with 30+ banks, is the path.

10

2027–2031

At least one major European bank fails or merges due to embedded finance margin compression

The combination of Big Tech capturing 26%+ of SME banking, embedded finance platforms taking retail lending, and AI agents routing customer decisions elsewhere reduces net interest margins to unsustainable levels for mid-sized European banks without differentiated digital product strategy. Consolidation is the most likely outcome.

11

2027–2030

EUR becomes the second stablecoin currency by market cap, overtaking all others

The EUR stablecoin market corrects its structural mismatch. MiCA provides the regulatory clarity; Qivalis provides institutional distribution; demand from tokenised assets, B2B cross-border, and DeFi settlement provides volume. EUR stablecoins grow from <1% to 12–18% of the market by 2030, overtaking all non-USD currencies combined.

The Architecture Decade

Every major financial system in history has had an infrastructure moment — a decade during which the rails that would carry money for the next generation were built. In the 1970s and 1980s, it was SWIFT, card networks, and interbank settlement systems. In the 1990s and 2000s, it was internet banking, ACH, and digital payment processors. The 2020s are the next such decade — except this one is happening faster, is more global, and its effects will reach further into the daily lives of ordinary people than any previous financial infrastructure transition.

The forces are interlocked. Stablecoins make cross-border settlement cheap and instant — but they need on-ramps and off-ramps, conversion engines and FX infrastructure, card programmes and developer APIs to reach businesses and consumers. Tokenisation makes assets liquid and programmable — but it needs a digital cash leg to settle against, and that cash leg needs to be compliant in every jurisdiction where the asset will trade. AI agents automate financial decisions — but they need payment rails that are programmable, fee-free at scale, and available without human authorisation. CBDCs build the public layer — but central banks are explicitly designing them to leave the commercial layer for private operators.

Each force, examined individually, looks like an interesting trend. Examined together, they describe a coherent new architecture for global finance — one in which money moves as effortlessly as information, in which financial services are ambient rather than deliberate, in which the 1.3 billion adults currently excluded from the financial system gain access through a smartphone, and in which the entities that own the infrastructure layer earn the durable returns that infrastructure businesses always earn.

The window to establish position in this architecture is not a comfortable multi-year planning horizon. It is measurable in months. The regulatory frameworks are set. The institutional capital is committed. The technology is production-ready. The bank consortia — with their capital, distribution, and regulatory credibility — are already moving. The question for every participant in European financial services right now is not whether this transformation is coming. It is whether you are building the infrastructure or paying for it.

The financial architecture of 2036 is being built today. Some of it is being built by institutions you know. Most of it is being built by entities that do not yet have the scale or the name recognition of incumbents — but that hold the regulatory authorisations, the developer infrastructure, and the product vision to serve as the regulated middleware of the next financial system. These entities will not make news until the acquisition announcement. And by then, the architecture they built will already be running beneath the transactions of millions of businesses and consumers who will never need to know it exists.

About Newrails

Newrails, UAB is a European electronic money institution (EMI licence No. 69, Bank of Lithuania) and MiCA-authorised issuer of EURW — a EURO-denominated e-money token. We are building regulated payment infrastructure for the on-chain economy: EUR payment accounts with IBAN and SEPA connectivity, programmable stablecoin rails, and developer APIs connecting traditional finance to the digital asset ecosystem. We are building for the world described in this report.

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