Stablecoin treasury management

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

Many groups keep part of their treasury in stablecoins because they avoid the volatility of their own token and the friction of fiat. The practice raises three legal questions that treasurers rarely ask. The first is counterparty risk. A stablecoin is a claim against its issuer, so the holder's protection depends on the issuer's reserve, its redemption terms and the law that governs the claim. USDC is issued by Circle under US state money-transmission laws and, since the GENIUS Act, under the US federal payment stablecoin framework. USDT is issued by Tether under El Salvador's regime. The Swiss franc stablecoins are issued by Swiss issuers under the deposit-or-guarantee construction that FINMA's Guidance 06/2024 describes.[1] A treasurer who holds S$ 10 million in a stablecoin should know which of those regimes applies and what the redemption process is.

The second question is the AML status of the holder. FINMA's position is that a stablecoin issuer must identify all holders, which means a Swiss franc stablecoin can be held only by onboarded persons. A treasury that acquires such a stablecoin on the secondary market without onboarding may find it cannot redeem.[2] The US dollar stablecoins are freely transferable and redeemable only by onboarded institutional clients of the issuer. A treasury that wants to redeem instead of selling must onboard with Circle or Tether or use a regulated intermediary. The third question is the

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accounting and tax. A stablecoin is no cash equivalent for Swiss GAAP or for Singapore financial reporting purposes, so it is carried as a financial asset at fair value. Small gains and losses against the peg are recognised through profit or loss. For a Singapore entity, a stablecoin that qualifies as a digital payment token under the GST Act is an exempt supply when exchanged, while one that does not, such as a stablecoin pegged to a basket, is a taxable supply.[3]

Notes

1. FINMA Guidance 06/2024 of 26 July 2024 (stablecoin issuers as financial intermediaries; deposit characterisation; bank default guarantees and their minimum requirements). On the US framework, the Guiding and Establishing National Innovation for US Stablecoins Act of 2025 (GENIUS Act), signed 18 July 2025; Part O, Chapter IV. ↩
2. FINMA Guidance 06/2024 of 26 July 2024, section on the AMLA (the issuer must verify the identity of each holder and the beneficial owner; transfer restrictions; anonymous transfers treated as prohibited). ↩
3. Goods and Services Tax Act 1993, Fourth Schedule, Part I, para. 1(1)(k) and the definition of "digital payment token" (which excludes tokens pegged to a currency); IRAS e-Tax Guide, "GST: Digital Payment Tokens", as revised, paras 3.4 to 3.7 (stablecoins pegged to a fiat currency are not DPTs for GST purposes). Part M, Chapter III. ↩

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Author contact: Dr Alexander Ressos, TEP · contact@ressos.com

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