The redemption promise as the legal core

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A stablecoin is a token designed to hold a constant value against a reference, almost always a fiat currency and overwhelmingly the US dollar. By mid-2026 the aggregate supply of dollar stablecoins exceeded USD 250 billion, with Tether's USDT and Circle's USDC accounting for most of it. Every lawyer who touches digital assets now meets stablecoins daily, because they are the settlement asset of the crypto markets, the treasury asset of most crypto businesses and, increasingly, a payment rail for ordinary commerce.[1]

The technology is of no interest to the law. A stablecoin is an ordinary fungible token on an ordinary ledger. What interests the law is the promise behind it. A stablecoin holds its value because someone has undertaken to redeem it for the reference asset, or because a mechanism exists that is supposed to achieve the same result. The content of that undertaking, the person who gives it and the assets that back it determine every legal consequence. This chapter organises the subject around the redemption promise, because that is how both Swiss and Singapore law organise it.

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Notes

1. Figures from public dashboards (DefiLlama, Coin Metrics) as at June 2026 are approximate; the Bank for International Settlements Annual Economic Report 2025, chapter III, gives an institutional overview of stablecoin growth. ↩

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