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**GFMA REPORT EXAMINES CURRENT USE AND
FUTURE OF DIGITAL MONEY IN CAPITAL MARKETS**

New forms of digital money are rapidly transforming the movement of funds in capital markets. This report examines the forms in use today, how and why they are being adopted and the regulatory, infrastructure, and industry governance challenges that must be addressed for them to succeed at scale.

The Global Financial Markets Association (GFMA), with Arktouros and Ashurst as technical advisors, have published a report titled *The Role of Digital Money in Capital Markets*, a new report examining how emerging forms of digital money—including tokenized deposits, deposit tokens, wholesale central bank digital currencies (wCBDCs), and stablecoins—are being deployed across key areas of capital markets activity. Focusing on securities settlement, repurchase agreements (repo) and securities finance as well as derivatives margining, the report highlights both the rapid progress underway and the critical regulatory, infrastructure, and governance barriers holding back broader adoption. It sets out clear recommendations and calls to action for regulators, policymakers, and industry participants to enable safe, scalable implementation.

Members of the three trade associations that comprise the GFMA are responsible for, and facilitate, the vast majority of global capital markets activity and the money movements that fuel them. This report reflects the practical experience of institutions at the forefront of building and deploying digital money solutions. Digital money is delivering meaningful improvements to capital markets and the promise of more as securities and real-world assets are increasingly tokenized. The 24/7 movement of funds with programmatic and atomic settlement against tokenized assets and automatization of complex transaction mechanics will enable new client services, mitigate risks, and lower costs for all market participants.

At the same time, there are hurdles that require the attention of policymakers, regulators, and the industry. These include providing additional legal and regulatory clarity for tokenized commercial bank money and stablecoins; building infrastructure to unlock efficiencies for all forms of digital money; and setting industry governance standards to enable the use of new rails.



Key Findings

Tokenized deposits are the near-term instrument of choice. Tokenized deposits and deposit tokens benefit from the long history of commercial bank money as a settlement asset and inherit its legal and economic features. Programmability, atomic settlement, and continuous availability offer meaningful near-term upgrades for intrabank funds settlement. The path to broader interbank use requires new public and private sector infrastructure, legal frameworks, and industry governance standards.

wCBDCs offer the lowest-risk settlement asset—but timelines remain uncertain. Wholesale CBDCs provide the lowest-risk asset for settlement along with programmability, atomic settlement, and extended operating hours. While institutions see significant promise in central bank wCBDC initiatives, availability timelines remain unclear. In the interim, private sector services are being built to provide interbank settlement using tokenized deposits and deposit tokens, creating networks that mirror the two-tier money system and can reach the market more quickly.

Stablecoins bring unique capabilities, but face regulatory hurdles to institutional adoption. Stablecoins are native to permissionless networks and offer smart-contract functionality and access to an open developer ecosystem. Capital market participants are currently focusing on cross-border payment use cases, while also investing in near-term services using stablecoins for intrabank securities settlement, repo, securities lending, and margin. Legal and regulatory uncertainties—most pressingly around capital treatment and cross-border recognition—remain significant hurdles to institutional, at-scale adoption.

As tokenized securities and real-world assets become more prevalent on blockchains, demand for digital money that can settle those assets will grow in parallel. Current capital market use cases reflect a balance: the likely primacy of tokenized deposits in the near-term, alongside the potential for stablecoins to play an important role if key challenges are addressed.

“Our clients operate at the frontiers of their industries, and they expect their banks to do the same,” commented Olivier Osty, Deputy COO of BNP Paribas Group and CEO of BNP Paribas CIB. “As a global banking group, we already see several concrete use cases through our capital markets activities where new forms of digital money are enabling more efficient and better-synchronised services. The GFMA report provides valuable insight into the regulatory, infrastructure and governance conditions that will be critical for the industry to scale these solutions safely.”

“Digital money has the potential to significantly improve how we serve our clients. As 2026 moves forward, global regulatory frameworks will be defined, further enabling the use of digital money in capital markets. Together with policymakers and regulators around the world, we are working to get that right. The GFMA report sets out clearly what needs to happen and why.” – Patrick George, Global Head of Markets and Securities Services, HSBC and Vice-Chair of GFMA

“The institutions and jurisdictions that establish the necessary legal certainty, infrastructure, and standards first will shape the capital markets of the future. GFMA is committed to working with regulators and policymakers to build the frameworks that enable digital money to deliver its full potential safely and efficiently.” – Peter Stein, CEO of GFMA and ASIFMA

The full report and key takeaways are available on the GFMA website.



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About GFMA

GFMA represents the common interests of the world's leading financial and capital market participants to provide a collective voice on matters that support global capital markets. It also advocates on policies to address risks that have no borders, regional market developments that impact global capital markets, and policies that promote efficient cross-border capital flows to end users. GFMA efficiently connects savers and borrowers, thereby benefiting broader global economic growth. The Association for Financial Markets in Europe (AFME) located in London, Brussels, and Frankfurt; the Asia Securities Industry & Financial Markets Association (ASIFMA) in Hong Kong and Singapore; and the Securities Industry and Financial Markets Association (SIFMA) in New York and Washington are, respectively, the European, Asian, and North American members of GFMA.