EDPIA
The European Digital Payments Industry Alliance

EDPIA initial considerations on stablecoins

As the leading voice of the European non-bank payment industry, EDPIA is committed to delivering the most effective payment solutions to the millions of merchants our members serve across Europe and beyond. From democratising instant payments and digital wallets to advancing embedded finance and account-to-account transfers, we remain payment-method agnostic, promoting innovation and diversity of choice to ensure merchants and consumers have access to the most efficient payment solutions.

Although the Market in Crypto Assets Regulation (MICAR) does not explicitly define “stablecoins,” it introduces a definition of Electronic Money Tokens (EMTs), which are described as digital representations of the value of an official currency issued by a central bank. Backed by a reserve of financial assets, they purport to maintain a stable value for the user by referencing the value of that official currency and therefore belong to the “stablecoins” asset category. They may be transferred and stored electronically using the Distributed Ledger Technology (“DLT”), whereby an information repository keeps records of transactions and is shared and synchronised among a network of participants.

Once viewed as a speculative frontier in digital finance, stablecoins are now recognised for their potential to reshape payment systems fundamentally. EMTs, because of their digital nature, may transform the way the payment industry is currently settling payments: they are faster to transfer in a global scale (cross border notably), highly secure and trusted for all actors (with the DLT technology), and they may be more cost effective than traditional rails for the so-called “wholesale use cases”.

Whilst the concept itself is not new, there has been an acceleration in the uptake of stablecoins in 2025 and in political attention, in a context of 1) regulations becoming applicable (MiCAR in the EU, Genius Act in the US) 2) European private initiatives emerging to issue and leverage EMTs, 3) the potential issuance of both a wholesale and a retail CBDC (“Digital Euro”) competing with private digital currencies, and 4) the developments of the so-called multi-issuance stablecoin models (i.e. stablecoins jointly issued by EU and third-country entities).

With a number of benefits at stake, stablecoins have already attracted concrete interest from industry players, with major global retailers and large e-commerce platforms, particularly outside Europe, exploring proprietary stablecoin-based payment solutions to streamline transactions, reduce settlement costs, and enhance customer loyalty. Such developments inevitably raise both technical and strategic questions about consumer protection, competition, oversight, resilience and independence of the EU payments sector.

In this context, EDPIA and its Members want to share some initial considerations:

- **Euro-denominated stablecoins as a pillar of European Sovereignty.** Stablecoins should be part of a broader EU vision for the future of payments. Their design and governance should reinforce Europe’s strategic autonomy, reducing reliance on non-EU infrastructures and ensuring that European values and standards shape global finance. This assessment must also take into account the implications for all actors across the payment value chain, including central banks, commercial banks, payment services providers as well as merchants and consumers.

- **Resilience through trusted euro-denominated solutions.** A stablecoin that benefits the entire economy must mirror the resilience and reliability of electronic money. This means ensuring the singleness of money (i.e. interchangeable and equal in value), robust operational and fraud prevention safeguards, as well as cybersecurity aligned with Europe’s resilience agenda. Only then can merchants and consumers trust stablecoins as crisis proof instruments of commerce.

- **Euro-denominated stablecoins must align with practical retail realities for both consumers and merchants**. Consumers will need convenient access to stablecoins and payment instruments to use them: applications, cards, mechanisms to easily exchange stablecoins with FIAT currencies. Merchants will face similar challenges: acceptance on terminals and websites, access to stablecoin-holding accounts and easy settlement in FIAT currencies so that the promise of smoothness is met. Ultimately, widespread adoption will hinge on the end user's experience and willingness to embrace these solutions.

- **Regulatory clarity as a driver of growth and development.** Europe's regulatory framework must provide certainty for payment providers to invest confidently in stablecoin innovation. Having a clearer interplay baseline between EU legislations, including PSD3/R, AML & MiCAR, and especially with the "Crypto Asset Service Provider" role when it comes to payment acceptance, acquiring and processing would ultimately support the development of the retail payment use case. Existing confusion in national legislations regarding "stablecoins" as an investment asset -subject to tax regulations that limit their liquidity- and "stablecoins" use as a payment means must be clarified.

- **Fostering euro denominated stablecoins for competitiveness.** As Europe seeks to develop homegrown payment solutions to strengthen its economic sovereignty, it will be essential to actively support the creation and adoption of euro-based stablecoins. EDPIA welcomes recent initiatives from the European industry and remains committed to assisting in this effort by providing guidance and support.

- **The future Digital Euro and privately issued stablecoins must coexist to strengthen the EU's payment system and ensure its global competitiveness**. Public initiatives, like the digital euro and privately issued stablecoins must coexist in a way that enhances Europe's competitiveness, preserves monetary sovereignty, and ensures resilience in global markets. This balance will allow Europe to lead in setting international standards while safeguarding stability in Europe.

EDPIA and its members will continue to closely monitor developments in the stablecoin ecosystem, recognising its potential to transform digital payments. We remain committed to supporting innovation that enhances efficiency and security for merchants and consumers alike. At the same time, we emphasise the importance of a robust regulatory framework to ensure trust, financial stability, and compliance.