

Here's what is really behind all these stablecoin 'risk' reports

Noelle Acheson • 7 min read
Dec 11, 2025



Recent weeks have seen a flurry of stablecoin risk reports from international finance institutions; Noelle Acheson deduces what's really going on.

Finance is [based on risk](#). For some, it's about turning uncertainty into returns. For others, it's about mitigating downside. For all, finance recognizes that the unforeseen can happen and participants should position accordingly.

But currencies? We're not used to thinking of them in terms of risk unless we're an FX trader. Hedging portfolios for market fluctuations, sure, but currencies are our no-risk baseline. When backstopped by reputable central banks, they are the ultimate safe asset.

Then there are dollar stablecoins, increasingly seen as a currency substitute. Only, global institutions have long been banging the drum about the risks they pose to financial stability. The effort seems to be intensifying, as over the past few weeks I've seen publications from [the IMF](#), [the FSB](#) and [the ECB](#), as well as work from think tanks such as [the NBER](#) and the [Center for Global Development](#) — there have probably been others I've missed.

It's time, then, to take a closer look at the risks we're being warned about — just how real are they, and should we be worried? Even more relevant, what does this messaging tell us about the changing landscape?

The main risk most reports highlight is [that of a run](#) on a widely used stablecoin.

This could be triggered by doubts about the reserve backing — for instance, if users lost confidence that each token was 1:1 backed by safe assets, they could rush to redeem stablecoins by returning them to the issuer for cash. Or, since this option is not open to all, they could sell them on exchanges.

Either action would trigger additional risks.

A wave of redemptions would lead to the issuer needing to raise cash, fast. To do so, it would sell the underlying assets. Since the GENIUS Act mandates that these be short-term Treasuries and related securities, this could destabilize the market for U.S. government debt, which would spread volatility throughout all markets given their role as collateral for leveraged positions, settlement and more. At least one report I read goes so far as to suggest this could end up being cause for central bank intervention, which could destabilize the dollar.

If user exit also involves selling on exchanges, the market price of the stablecoin could drop well below the \$1 peg as investors take the loss rather than risk losing more. This could destabilize decentralized finance applications based on stablecoin collateral, such as lending, swaps, derivatives and more. It could also jeopardize collateralized positions on crypto exchanges, triggering panic sales well beyond stablecoins. A stampede out of the crypto market could lead to more liquidations and sharp price drops, which could spill over into traditional

markets as investors sell whatever they can to cover positions or just retreat into safety until the storm passes.

Nervous yet? There's more.

Another key risk surfaced by several of the reports is the [impact on banking](#). The popularity of stablecoins could lead to flows out of deposits, narrowing banks' access to a low-cost source of funding. Diminished bank profitability would weaken financial stability by increasing the risk of runs and the drying up of market liquidity. It could also reduce lending as banks retrench, dampening overall economic growth and affecting all sectors.

Another bank-related risk mentioned is concentration which could weaken overall resilience: Funds leaving deposits for stablecoins will initially be deposited in issuers' bank accounts which — if the issuers are large — are likely to be at big banks. Plus, issuers will eventually deploy inflows to buy reserve assets. An increase in government and large asset manager deposits (presumably also in big banks) would further exacerbate the hollowing out of smaller banks.

There's also the [uneven regulation](#). Only five jurisdictions have fully implemented stablecoin legislation (this short list does not yet include the U.S. as the GENIUS Act has passed but is not yet live). And there are no global standards as to the required quality of reserves and risk management practices. Given that cross-border payments are a key stablecoin use case, issues with an issuer in a more lax regime could cause havoc in others.

In sum, official entities want us to be wary of stablecoins.

But probe deeper and you see that it's not the stablecoins themselves we should be worried about, at least not the ones large enough to make a systemic difference. Rather, the reports reveal how stablecoins highlight structural weaknesses in the existing framework.

For instance, a run on a stablecoin triggered by doubts around its backing would signal low confidence in the enforcement of rules. If any run is due to concerns about the value of the underlying assets, well, in that situation finance would have a much bigger problem than stablecoins.

The concern for banks is more about their current business model and regulatory restrictions than about potential adverse consequences from payments innovation.

And uneven regulation is about a lack of political will, not stablecoins themselves.

To be fair, global institutions have over the years raised often valid concerns about the new technologies entrepreneurs and idealists want to apply to systemic finance. But solutions and standards have emerged in line with deeper experience and real-world testing.

So, what really is going on here?

Rather than warn us about stablecoins, the recent official reports are warning us about the risks of change. New types of monetary transfer, business models, rules, consumer habits ... these understandably stress those in charge of making sure nothing bad ever happens.

But insisting on preserving the status quo is also a risk, as innovation always finds a way. Anyone with experience in regulation and finance knows that.

So, let's push further on what the international institutions are doing.

It feels like they're staking out territory. What we perceive as warnings are more reassurances that the risks are seen and will be monitored.

After all, none of the recent papers suggest banning stablecoins — they all acknowledge they are a feature of the evolving landscape. Systems and risk monitoring need to adjust. And the international finance institutions, perhaps fearful for their role in a changing world, want us to know that they will keep us safe.

Author, Crypto is Macro Now newsletter