

Ubyx Executive Summary

Clearing and Settlement for Stablecoin Ubiquity

THE PROBLEM: BARRIERS TO UNIVERSAL STABLECOIN ADOPTION

Stablecoins remain trapped in specialized crypto use cases despite their potential as peer-to-peer, digitally-native money. Five critical barriers prevent mainstream adoption:

1. Limited Redemption Options: Recipients cannot universally convert stablecoins to traditional currency at full value through their existing financial relationships.
2. Network Coordination Challenge: The "many-to-many" problem between multiple issuers and accepting institutions creates inefficient bilateral relationships rather than a unified network.
3. Accounting Treatment Roadblock: Businesses cannot treat stablecoins as cash equivalents under international accounting standards (IAS7), forcing classification as financial instruments (IAS32) and creating significant barriers to corporate adoption.
4. Uncertain Counterparty Risk: Recipients must individually assess the creditworthiness of both the issuer and their available off-ramp options—an unrealistic requirement for everyday transactions.
5. Fragmented Ecosystem: Each stablecoin issuer builds their own redemption network, creating a counter-productive dynamic where every new arrangement makes the overall system more convoluted.

THE SOLUTION: THE UBYX PROTOCOL

Ubyx delivers a transformative clearing system for stablecoins that enables:

1. Universal Redemption at Par Value: Anyone can deposit stablecoins into existing financial accounts (at banks and regulated non-banks) at full face value.
2. Cash Equivalence: Stablecoins can achieve IAS7 cash equivalent status through standardized redemption processes, opening the door to mainstream corporate adoption.

3. Singleness of Money: Stablecoins become interchangeable between issuers and with reference to other forms of fiat currency, meeting a critical requirement for broad acceptance.
4. Mutualized Acceptance: A single, low-cost connection gives issuers global access to a unified redemption network—exponentially more efficient than bilateral relationships.
5. Regulated Off-Ramps: All redemptions flow through regulated channels subject to AML, KYC, sanctions, and fraud checking.
6. Non-Interest Revenue: Introduces a new non-interest revenue source for issuers, protecting business models from adverse changes in interest rates.

HOW UBYX WORKS

Ubyx is a straightforward system that makes redeeming stablecoins as simple as depositing a check:

1. Network Membership: Regulated financial institutions (issuers and receiving institutions) join by agreeing to the Ubyx rulebook and connect to the platform through standard APIs.
2. Settlement Bank Setup: Each participant holds wallets and cash accounts at Ubyx-appointed settlement banks in each currency.
3. Customer Experience: When a customer deposits stablecoins at their financial institution, they're checked for compliance and routed to the issuer for verification.
4. Pre-Funded Settlement: Issuers maintain dedicated cash reserves at settlement banks, ensuring all redemptions can be honored.
5. Payment Flow: Upon acceptance by the issuer, funds move from the issuer's pre-funded account to the receiving institution's cash account, and the customer's account is credited with the full value.

The system is designed for global interoperability across multiple issuers, blockchains, currencies, and jurisdictions—creating universal acceptance and enabling peer-to-peer digital cash that can be redeemed at par value on demand.

ECOSYSTEM BENEFITS

Ubyx creates compelling benefits for all stakeholders:

For Users and Businesses

- Confidence in accepting any stablecoin from any issuer
- Ability to deposit stablecoins at full value into existing accounts
- Stablecoins as recognized cash equivalents on balance sheets
- Indifference to which stablecoin they receive or hold

For Stablecoin Issuers

- Global reach without building proprietary networks
- Revenue diversification through redemption fees
- Reduced reliance on exchange listings and associated costs
- Simplified regulatory compliance through shared infrastructure

For Financial Institutions

- New revenue streams from redemption fees and FX income
- Reduced counterparty risk through standardized clearing processes
- Entry point into digital assets without building specialized infrastructure
- Competitive positioning as digital asset leaders

For the Crypto Community

- Fulfills the original vision of peer-to-peer digital payments
- Increases transaction volumes across public blockchain networks
- Attracts mainstream users through familiar financial interfaces
- Bridges traditional finance and DeFi

For Regulators and Central Banks

- Maintains "singleness of money" across digital and traditional systems
- Channels stablecoin activity through regulated institutions
- Consistent oversight frameworks across digital assets
- Enhanced system resilience through multiple independent blockchain networks

THE DEVELOPMENT ROADMAP

Phase 1: Foundation (2025)

- Establish the Ubyx legal entities, Association, and Foundation
- Onboard scaling partners to provide infrastructure
- Deploy the core protocol, rulebook, and technical platform
- Demonstrate live transactions with initial issuers, receiving institutions, and blockchains

Phase 2: Expansion (2026-2028)

- Launch and promote the Ubyx Trust Mark
- Expand to more issuers, institutions, blockchains, and currencies
- Introduce the Ubyx Lending Facility for liquidity support
- Progressively decentralize governance and technology

Phase 3: Ubiquity (2028+)

- Achieve full accounting recognition as cash equivalents
- Enable general-purpose payment acceptance across all sectors
- Complete community-driven decentralization of the protocol

THE CASE FOR STAKEHOLDER ACTION

Ubyx offers a necessary ecosystem state change that delivers compelling incentives:

1. For Issuers and Institutions: Join the Ubyx Association and prepare to connect to the clearing system—expanding reach and unlocking new revenue streams.
2. For Regulators: Clarify participation rules for regulated institutions in public blockchains and recognize that receiving institutions can redeem foreign stablecoins within existing frameworks.
3. For Technology Providers: Position as Ubyx scaling partners to meet growing institutional demand.

4. For Blockchain Networks: Collaborate with Ubyx to connect traditional finance institutions to public networks—creating a "one for all, all for one" approach rather than zero-sum competition.
5. For Founders and Innovators: Build on the foundation of ubiquitous, peer-to-peer, programmable digital money.

ENTERING THE STABLECOIN EPOCH

Stablecoins will reach their full potential when:

- They can be redeemed at par value on demand through universal channels
- They achieve accounting recognition as cash equivalents
- They operate across multiple issuers, blockchains, and currencies
- They bridge traditional and decentralized finance

Ubyx delivers the missing piece that transforms isolated connections into a mutual acceptance network. By solving the redemption network problem, achieving cash equivalence, and aligning economic incentives, Ubyx will usher in the stablecoin epoch—they will become ubiquitous, general-purpose methods of digital payment.

"In the age of paper payments, was there any financial institution that could not serve its customers' needs for cash and cheques? In the era of financial messaging, was there a bank that could not make or receive electronic payments? In the time of cards, is there an institution on the planet that cannot issue debit or credit cards? So it shall be in the Stablecoin Epoch: every bank and non-bank financial institution will enable customers to receive stablecoins—from many issuers, in many currencies, across many public blockchains—and to hold and pay with stablecoins.. Those who choose not to participate will see their clients migrate to those who do. Choosing not to act is a choice, because the process has already begun."

For more information:

- Learn more: <https://ubyx.xyz>