

HOW TO LAUNCH A STABLECOIN

The Definitive Guide to Launching a Stablecoin

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Why Launch a Stablecoin?

As of June 2025, the stablecoin market reached a record \$252 billion in circulating supply, marking a 22% increase since the start of the year. In 2024, total on-chain stablecoin transfer volume surpassed \$27 trillion, exceeding the combined annual transaction volume of Visa and Mastercard. The number of wallets holding stablecoins grew by more than 50% over that same period, reaching over 30 million users, while total supply rose 63% year over year. This rapid growth underscores the mainstream adoption of stablecoins and their expanding role in global financial infrastructure.

Payment Type	Transaction Fee	Time to Settle	Notes
Credit Card Payment	2–3% + \$0.30	Instant to Merchant	High fees for Merchant. Chargeback risk.
Debit Card Payment (Regulated)	Regulated: 0.05% + \$0.21 Durbin Amedment: 0.9% + \$0.15	Instant to Merchant	Low fees, subject to Durbin Amendment caps.
ACH Transfer	\$0.20 – \$1.50	3–5 Business Days	Limited to domestic transfers. Funding risk.
International Wire Transfer	\$30 – \$50	1–5 Business Days	High fees, exchange rate markups.
Remittance Service	6.65% (for \$200)	Minutes to Days	Varies by service and destination country.
Peer-to-Peer Payment App	Free (p2p) 1-3% (Business)	Instant to 1 Day	Fees apply for instant transfers, credit card use, and payments.
Stablecoin Transfer	<\$0.01	Seconds to Minutes	Global availability, minimal fees.

SOURCE: A16Z

Every successful stablecoin begins with a clearly defined purpose. Issuers must start by identifying the specific market need they intend to solve. For some, this may be improving cross-border payments by offering faster, cheaper, and more transparent settlement. For others, it could be enabling decentralized finance, where stablecoins serve as the backbone for lending protocols and liquidity pools. In some cases, the goal is to provide a stable medium of exchange within a specific ecosystem, such as a gaming platform, online marketplace, or enterprise network or banking infrastructure.

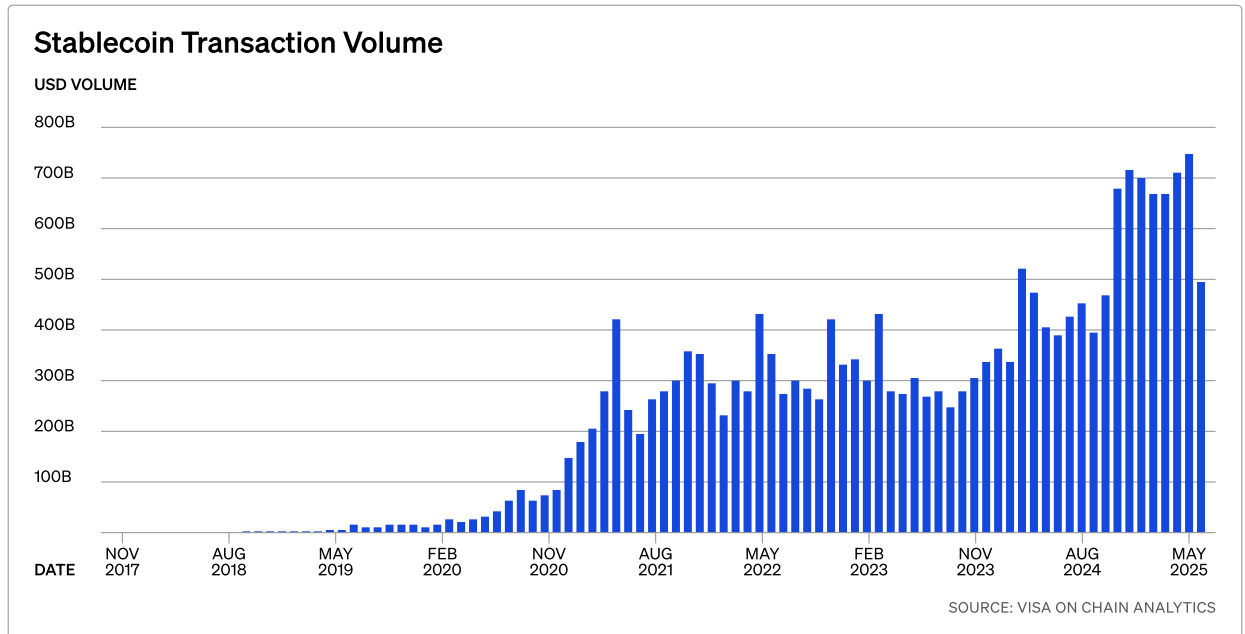
Leading stablecoins like USDC and USDT can serve as reliable reference points. USDC is fiat-backed, regularly attested, and built for regulatory compliance. USDT is the most widely circulated stablecoin globally, known for its liquidity and first-mover advantage, but with less transparency. These examples highlight the importance of design choices and the trade-offs between scale, trust, and oversight.

New entrants do not need to compete directly with these dominant players. Instead, value lies in specialization. A new stablecoin can target underrepresented geographies, underserved use cases, or emerging regulatory frameworks. This positioning is key to differentiation.

To build on solid ground, issuers must clearly define three elements: the type of stablecoin they intend to issue (fiat-backed, crypto-collateralized, algorithmic, or hybrid), the primary use case it will serve, and the country in which it will be issued. These decisions shape the product's compliance requirements, reserve structure, and integration path.



Launching a stablecoin is a strategic decision that must align market need, legal clarity, and operational readiness from day one.



High-Level Needs

The success of any stablecoin depends on its ability to earn and maintain trust. This trust must be built into every layer of the system, from reserve management to technical infrastructure. Without it, users hesitate, partners walk away, and regulators intervene.

Trust

Trust is not achieved through branding alone. It requires clear evidence that the stablecoin is fully backed, operationally sound, and governed with integrity. That evidence starts with transparency. But it is sustained through consistent performance, responsive governance, and robust infrastructure that protects users across all market conditions and lives up to the name "stablecoin".

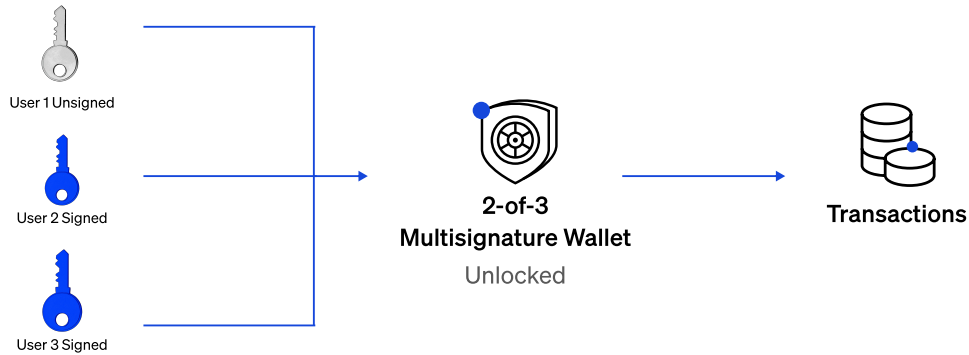
A trustworthy stablecoin proves its reliability not just in design, but in daily execution.

Transparency and Attestations

Transparency is the cornerstone of stablecoin credibility, regardless of the reserve model. For fully or fractionally backed stablecoins, monthly reserve attestations conducted by a reputable and independent accounting firm are essential to demonstrate alignment between issued tokens and underlying assets. These attestations should come alongside a defined reserve policy that clearly describes the composition and liquidity of reserves, especially when they include higher-yield or less liquid instruments.

Equally critical is providing external stakeholders with tools to verify claims. A public-facing dashboard showing real-time data, such as circulation, mint and burn activity, and reserve composition—enhances visibility and reinforces accountability. Issuers should also publish and maintain clear reserve policies, specifying asset eligibility and risk limits to prevent overexposure to opaque or illiquid instruments.

Security



Stablecoins are high-value targets and must meet the security expectations of regulated financial institutions. Custody should use multi-signature or MPC-based key management, with issuance controls built into access policies and transaction workflows. Smart contracts must be independently audited before deployment and designed with clear upgrade and pause functionality. Internal processes should include role-based access, audit logging, and stress-tested incident response plans. Security failures are not just technical risks; they can permanently undermine a stablecoin's credibility.

Distribution

Even the most trusted and secure stablecoin has limited value without broad access. Distribution strategies must ensure the token is easy to acquire, store, and use. This includes listings on centralized and decentralized exchanges, integration with major wallet providers, and access through payment platforms and fintech apps. Partnerships with market makers can provide launch-day liquidity, while technical integrations with DeFi protocols and custodians can expand the range of use cases. Equally important is cross-chain interoperability, ensuring your stablecoin is available across multiple blockchains to maximize reach, flexibility, and utility for users and developers.

161M

stablecoin holders,
by the numbers



4x the population of Canada



more than the **10 largest cities** in the world combined

6x the population of the New York City metro area



more than the daily active US users on X

6x circle the earth if they joined hands

SOURCE: ALLIUM (VIA COINBASE REPORT)

Stablecoin Use Cases

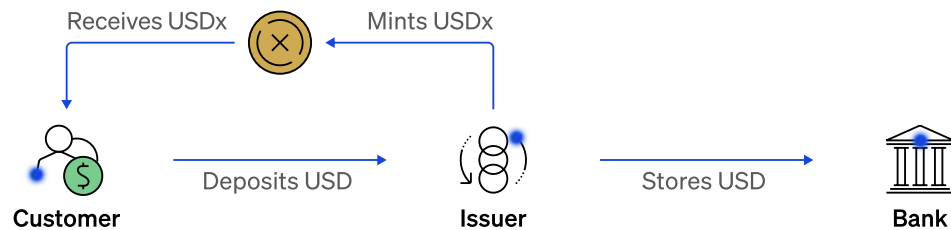
The value of a stablecoin increases when it serves clearly defined institutional needs. Below are four core sectors and the primary ways they engage with stablecoins:

SECTOR	PRIMARY USE CASE
Banks	Real-time interbank settlement, client transfers, and tokenized deposits
Fintechs	Embedded payments, automated treasury operations, and digital wallets
Payment Providers	Merchant payouts, cross-border remittances, and FX settlement
Decentralized Exchanges	Base trading pairs, on-chain collateral, and liquidity provisioning

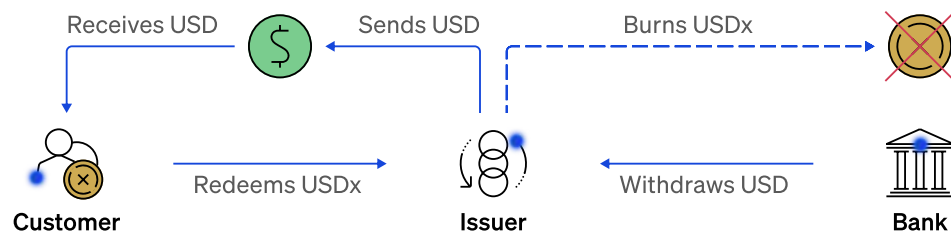
These categories reflect the most common and scalable entry points for stablecoin adoption across the financial ecosystem.

Other applications could include stablecoins for payroll, cross-border aid, micropayments, or on-chain trade finance. As infrastructure matures and regulatory clarity improves, the programmability of stablecoins will unlock a new wave of use cases, enabling automated financial flows, conditional payments, and capital efficiencies that were previously impossible with traditional money.

Minting stablecoins



Redeeming stablecoins

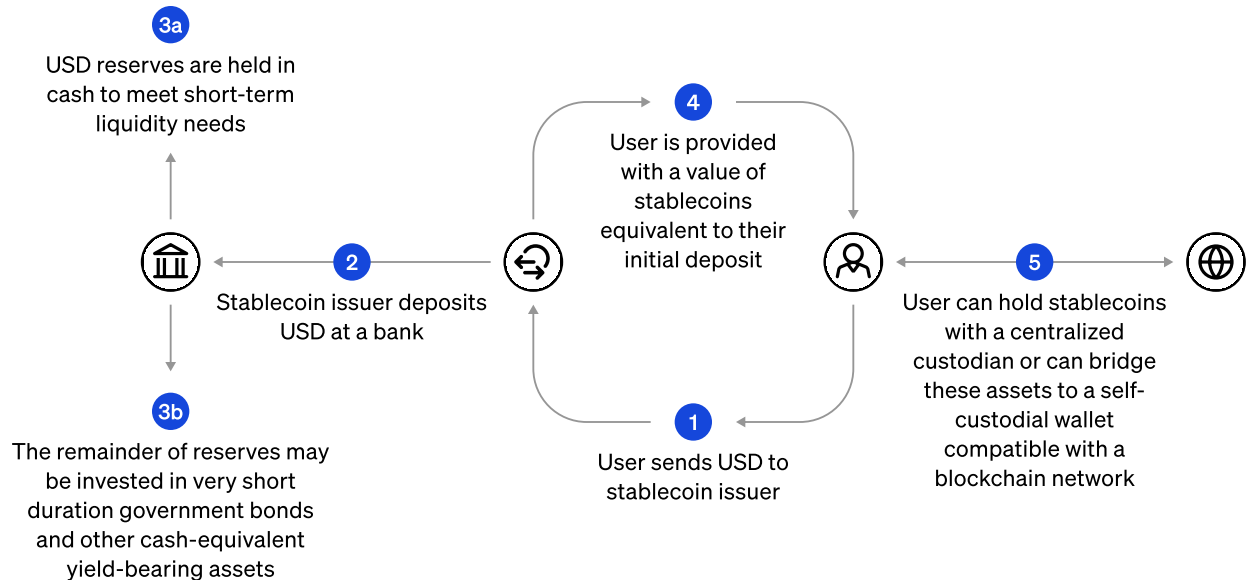


SOURCE: MATCHA.XYZ

Types of Stablecoins

Stablecoins differ primarily in how they maintain price stability. Each model carries trade-offs in trust, capital efficiency, transparency, and decentralization. Choosing the right structure depends on the issuer's objectives, regulatory strategy, and target users.

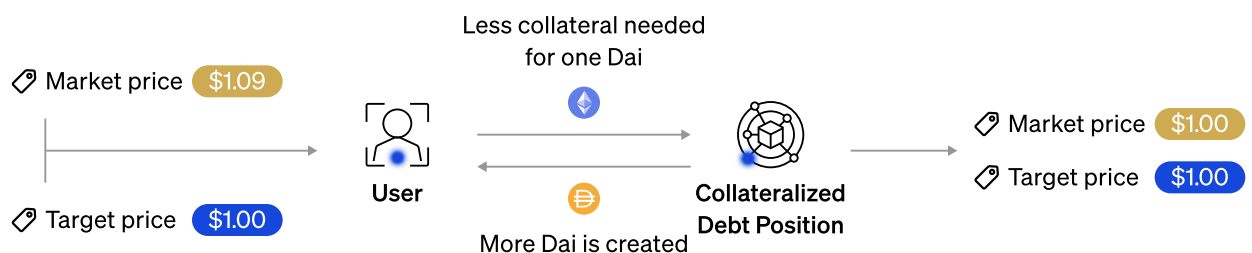
Stablecoin Flow



SOURCE: GLOBAL X

Fiat-backed stablecoins are the most widely adopted and are typically pegged 1:1 to a sovereign currency like the US dollar or Euro. Fully reserved models, such as USD1, are backed entirely by liquid assets like bank deposits, Treasury bills, or overnight repo agreements. These stablecoins prioritize transparency and regulatory alignment, making them attractive to institutions and payment platforms. Other models, like Tether or USDS, take a slightly riskier approach, opting to hold a portion of their reserves in higher-yield, less liquid instruments such as commercial paper, precious metals, secured loans, and corporate bonds. While this can improve profitability for issuers, it also introduces concerns around liquidity and redemption risk. Some designs, such as LUSD, operate without direct reserves and function instead as credit-based instruments. These models depend on protocol-level safeguards and user incentives to maintain price stability.

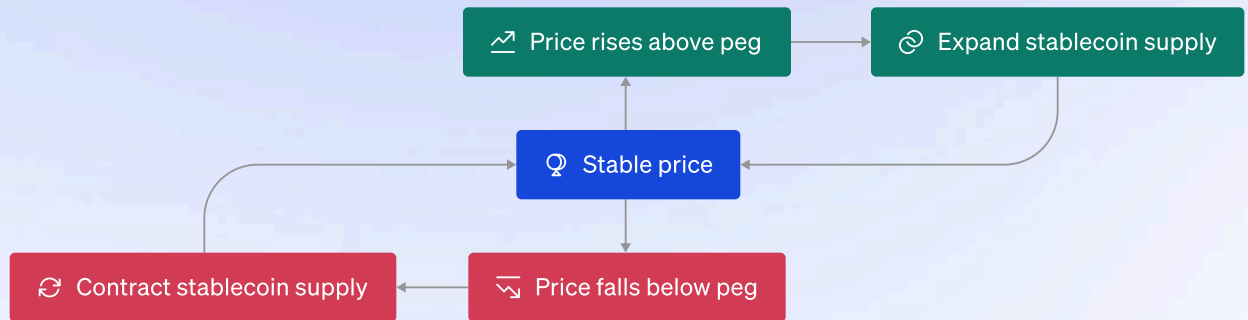
Example of DAI, a crypto-collateralized stablecoin



SOURCE: COIN BUREAU

Crypto-collateralized stablecoins are backed by other digital assets, typically held in overcollateralized smart contracts. DAI is the most well-known example. These systems are more decentralized and transparent, as all collateral and transactions occur on-chain. However, their reliance on volatile crypto assets introduces risk, particularly during sharp market downturns. They are also more complex to manage and understand, often requiring active monitoring of collateral ratios and liquidation mechanisms.

How Algorithmic Stablecoins Work



SOURCE: UXD PROTOCOL

Algorithmic or hybrid stablecoins attempt to maintain a price peg without external reserves, using smart contracts to adjust supply dynamically. Theoretically, these models are highly capital-efficient and decentralized, as they do not rely on banks or custodians. In practice, however, they have proven fragile. Maintaining a stable peg through code alone is difficult under stress, and several high-profile collapses, like Terra Luna's UST, have exposed the risks of this design. Hybrid models, which blend algorithmic mechanisms with partial collateral, must be approached carefully, with rigorous testing and transparent governance.

Each design has its place depending on the use case, audience, and regulatory environment. The key is aligning your model with the level of trust, transparency, and programmability your users expect.



Necessary Pieces of a Stablecoin

Launching a stablecoin requires a coordinated legal, technical, financial, and operational system foundation. Each component must be designed around scale, compliance, and resilience.

Regulatory Licensing and Compliance

Understanding the laws and regulations in your target jurisdiction is essential. In the United States, this includes federal regulations like the [GENIUS Act](#), and state-specific licensing requirements such as money transmitter licenses and, for operations in New York, the BitLicense. In the European Union, MiCA introduces a harmonized framework for e-money and asset-referenced tokens, with rules governing reserve backing, redemption rights, and public disclosures.

No issuer should attempt to launch without specialized legal counsel. Jurisdiction-specific rules vary widely, and navigating them requires digital assets and financial regulation expertise. Equally important is integrating KYC/AML providers into issuance, redemption, and transfer flows. These tools ensure compliance with anti-money laundering obligations and the Travel Rule, particularly in cross-border transactions.

For issuers seeking multi-jurisdictional issuance, a compliance roadmap should address overlapping obligations, tax treatment, consumer protections, and the need for audit readiness under standards like those set out by the American Institute of Certified Public Accountants (AICPA).

Blockchain Expertise and Smart Contracts

Selecting the right blockchain is a foundational decision. The network must offer strong security and stability, especially for stablecoins that underpin financial activity or compliance-sensitive use cases. Transaction speed and cost are critical for payment and high-frequency flows. Platforms such as Ethereum, Solana, Tron, and Polygon are common choices due to their active ecosystems and mature tooling. However, the network must also be scalable enough to support projected transaction volume and long-term usage.

Smart contracts should be built on established token standards, ERC-20 for Ethereum, SPL for Solana, and include core administrative functions such as minting, burning, freezing, and pausing. These capabilities support compliance and incident response while maintaining operational control. All contracts must undergo multiple independent audits from reputable firms. A single audit is insufficient for systems supporting institutional value or regulatory scrutiny.

Reserve Management, Custody, and Banking Integration

For fiat-backed or collateralized stablecoins, reserves should be held in segregated, bankruptcy-remote accounts administered by qualified custodians such as regulated banks or trust companies. It is most common to see a conservative reserve policy that is published and maintained, limiting assets to highly liquid instruments like cash, overnight repo, and short-duration government Treasuries. The largest stablecoin issuers have avoided more volatile assets in their reserves. Crypto backed and algorithmic stablecoin options add liquidation risk and operational complexity which may have limited their market penetration.

Custody partners should be selected through a structured due diligence process. This includes evaluating regulatory standing, audit controls, asset segregation practices, insurance coverage, and incident response readiness.

Fiat on- and off-ramps form the connective tissue between stablecoin and traditional finance. These include banking partners, payment processors, and platforms facilitating direct conversions between fiat and tokens. Strong banking rails are necessary for minting, redemptions, and treasury settlement.

Wallet Infrastructure and Issuer Interface

A stablecoin can be accessible through both custodial and non-custodial wallets. Broad wallet compatibility ensures usability across different user types and platforms. Integration with major wallets should be prioritized early to maximize distribution and adoption.

However, stablecoins that are meant to be used within a closed loop ecosystem - where the stablecoin does not interface with the broader markets - may not need to have extensive wallet capabilities. It is important to have a clear picture of the intended use case in order to implement the ideal wallet structure.

On the issuer side, a secure, web-based interface is required to manage issuance, redemptions, compliance flags, and transaction monitoring. This dashboard should include internal controls such as role-based permissions, audit logs, and real-time treasury tracking. The system must support reconciliation and reporting, to be shared with auditors and regulators alike.

Launching a stablecoin is not just a software project; it is the deployment of a financial system. Each component, from legal licensing to smart contracts and reserve management, must be aligned to ensure security, trust, and operational success.

Go-to-Market: Launch and Growth

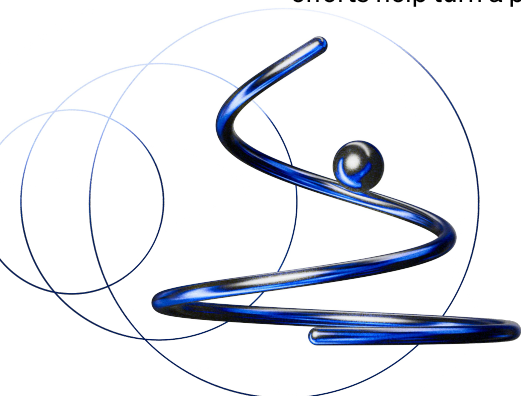
A stablecoin is only as functional as its liquidity. Without accessible and reliable on-ramps, users and partners will struggle to adopt it, regardless of how well it is built. Success depends on achieving early distribution, sustained volume, and integration across the broader ecosystem.

Stablecoins that are meant to be available for public markets need network effects to function, and those effects cannot take hold without available liquidity across exchanges and applications. For issuers with an existing user base, distribution at launch is easier to coordinate. Platforms that already facilitate payments, marketplace transactions, or financial services can deploy their stablecoin directly into existing user flows, eliminating the cold-start problem.

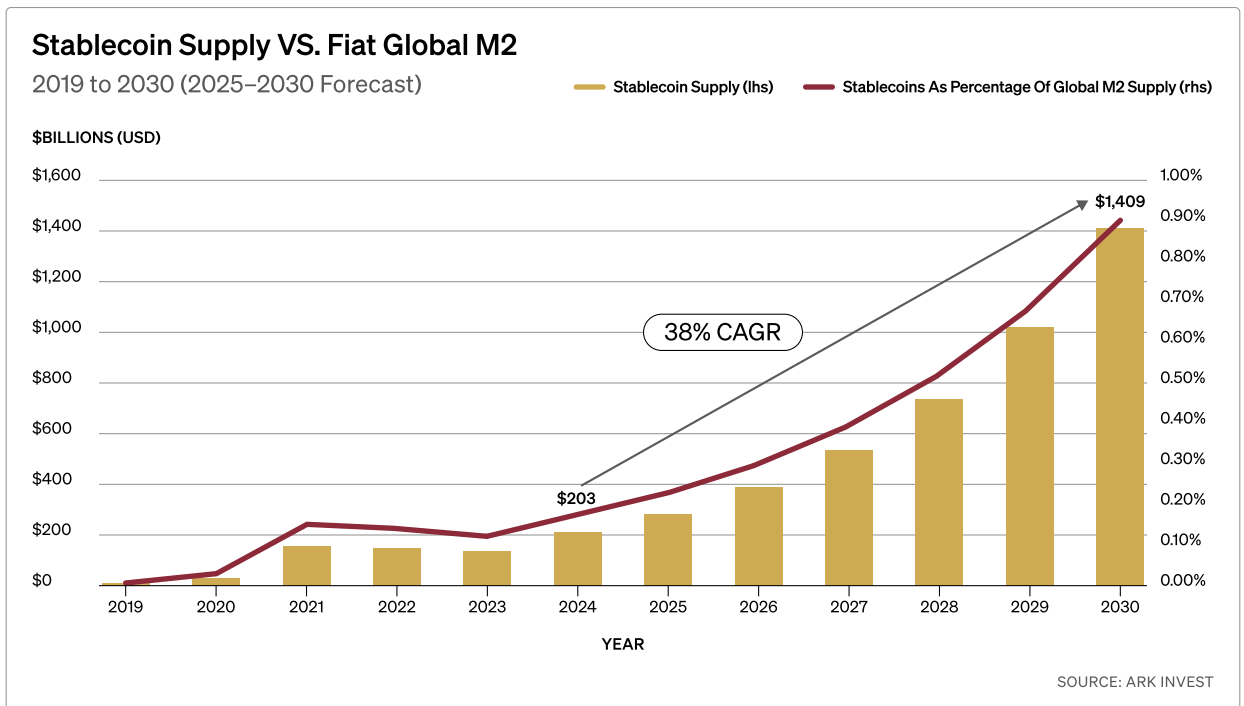
For everyone else, liquidity must be engineered deliberately. Partnering with market makers before launch ensures that your stablecoin trades with tight spreads and sufficient depth on centralized exchanges. On decentralized exchanges like Uniswap or Curve, issuers should seed liquidity pools to enable permissionless trading and DeFi utility.

Beyond liquidity, ecosystem development plays a central role. To become useful, a stablecoin must be integrated into wallets, exchanges, DeFi protocols, and payment platforms. This requires proactive technical partnerships and dedicated onboarding support. Issuers should allocate resources to build software development kits, maintain documentation, and assist with implementation to reduce friction for early adopters.

The go-to-market strategy should not stop at launch. Growth depends on continuous integration, sustained liquidity, and an active community that understands and values the stablecoin's utility. These efforts help turn a product into a network and a token into infrastructure.



Continued Growth and Usage



The long-term value of stablecoins will not come from yield or payment rails alone, but from the financial products and services that emerge around them. As adoption expands, the most successful issuers will be those actively supporting growth while adapting to evolving markets and regulations.

Operational excellence becomes even more critical post-launch. Issuers must maintain real-time monitoring across security, compliance, and market dynamics. This includes tracking liquidity levels, monitoring wallet concentration, staying ahead of regulatory updates, and responding quickly to technical or reputational risks. A strong customer support system should also be in place to resolve user issues and maintain trust at scale.

Depending on the stablecoin's use case, establishing a governance framework may become necessary to guide future decisions. This could include setting policy for new integrations, managing risk parameters, or adjusting reserve policies in response to market shifts. Governance models can range from internal committees to community-based mechanisms, but should be designed with clarity, accountability, and flexibility.

Planning for the future begins with a clear roadmap. Expansion to new blockchains, support for emerging token standards, and new smart contract functionality, such as programmable transfers or role-based access, can unlock additional utility. Regulations will also evolve, and stablecoin operators must be prepared to update disclosures, licensing, or technical controls accordingly.

Powered by BitGo

BitGo provides the foundational infrastructure you need to launch a stablecoin. In line with the GENIUS Act, BitGo's platform handles minting, burning, smart contract deployment, and reserve management with institutional-grade security and compliance. Whether launching your token or scaling an existing one, BitGo offers a turnkey solution that eliminates operational complexity while ensuring auditability and trust.



To learn more about BitGo's Stablecoin-as-a-Service platform, check out the case study on [World Liberty Financial's USD1](#).

Launch Your Stablecoin →

