STBL

Ecosystem Specific Stablecoins (ESS):

Owning Your Economy

Executive Summary

The future of money is not a static, one-size-fits-all asset; it is programmable, composable, and custom designed for specific ecosystems. That future is Ecosystem Specific Stablecoins (ESS) and STBL is the foundation for this.

STBL is the transparent foundation built to power this shift, introducing the concept of **Stablecoin 2.0**. Unlike opaque, first-generation stablecoins where issuers captured all interest, STBL evolved the model by **splitting the principal from its yield**. This enables the creation of USST (the universal, freely spendable stablecoin) and YLD (a separate asset that captures yield for liquidity creators).

Extending this core innovation, ESS empowers any sovereign, corporation, or institutional entity to issue its own white-labeled stablecoin. This grants organizations **monetary sovereignty, control, profit, and deep insight**. STBL acts as the trusted, decentralized, infrastructure provider, ensuring overcollateralisation, 100% on-chain transparency and universal interoperability, as all ESS tokens are anchored to USST for stability and global liquidity. The companies that embrace ESS will fundamentally transform their business models and **own their own economies**.

The Inevitable Shift: From Utility to Necessity

We are witnessing a new era of crypto: the era of utility. The stablecoin serves as the killer application for utility and the essential connective tissue between traditional finance and digital ecosystems.

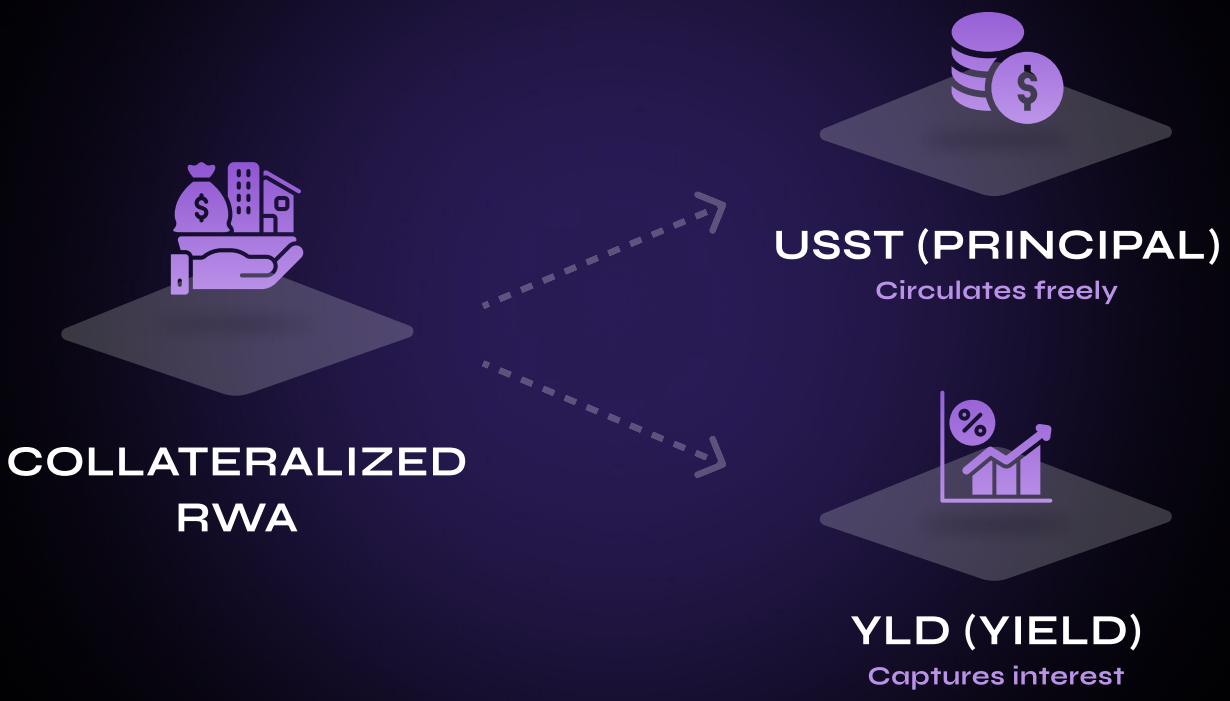
The era of standardized digital money is ending. **In the next decade, every successful ecosystem, where value is held and transferred, will have its own stablecoin.** This is not a trend; it’s an inevitability.

First-generation stablecoins (Stablecoin 1.0), such as USDT and USDC, were static, opaque, and issuer-controlled, with issuers capturing all the yield. STBL introduces Stablecoin 2.0 by moving from static assets to **programmable, participatory systems**.

Our purpose is to build the world’s most transparent, community-aligned stablecoin infrastructure.

This system adheres to new principles that redefine the economics of money:

- **Fairness:** Yield goes to those who mint and create real liquidity.
- **Transparency:** Every dollar, rule, and decision is visible on-chain.
- **Participation:** Anyone can audit, govern, or build on the protocol.



Stablecoin 2.0: The Principle of Splitting Principal and Yield

In the first generation of stablecoins, users deposited dollars while centralized companies minted stablecoins and kept the interest earned on those dollars.

Users received a stablecoin to spend, but the issuers earned from the assets backing it. Stability came at the cost of value to the user.

Stablecoin 2.0 changes that.

STBL introduces a new model where users - the minters can directly mint USST by depositing tokenized Real-World Assets (RWAs) as collateral.

Minters receive a stablecoin they can use freely, while the yield generated by their collateral continues to accrue directly to them.

The STBL Innovation

STBL evolved the model entirely by introducing the concept of **splitting the principal and the yield from that principal**. This separation ensures fairness and transparency by dividing the function of money into two distinct tokens:

- **USST (The Universal Stablecoin):** This is the **freely spendable, universal, transparent stablecoin**. It is designed for circulation, stable value, and open interoperability.
- **YLD (The Yield Token):** This is a separate asset, specifically an NFT, that **accrues the yield from the Real-World Asset (RWA)-backed principal**.

This yield-sharing model ensures that **yield goes to those who create real liquidity** (minters who deposit assets and earn YLD), separating creation (earning yield) from circulation (spending safely).

The stablecoin USST remains fully usable across DeFi and real-world ecosystems, while the yield from the collateral continues to grow in the background.

Unlike yield-bearing stablecoins that require users to lock their tokens to earn, USST stays liquid. You can use it, move it, or trade it and your underlying collateral continues to generate yield.

The ESS Pillars: Monetary Sovereignty & Strategic Asset Value

Stablecoins are now a strategic business asset. A native Ecosystem Specific Stablecoin provides organizations with massive benefits: **control, profit, and deep insight**.

STBL's infrastructure extends the core Principal-Yield split model to enable any ecosystem to issue its own stablecoin. These ESS tokens are sovereign, corporate, or institutional currencies customized to their user base.

1. **Capture the Yield (Profit)**

   Today, if a large corporation or government has a billion dollars running through its ecosystem, the bank earns the interest, and the organization gets zero interest. With a native ESS, the owner of the ecosystem gets **all the interest generated by the principal**. This unlocks new revenue streams instantly, without launching new products.

2. **Monetary Sovereignty and Control**

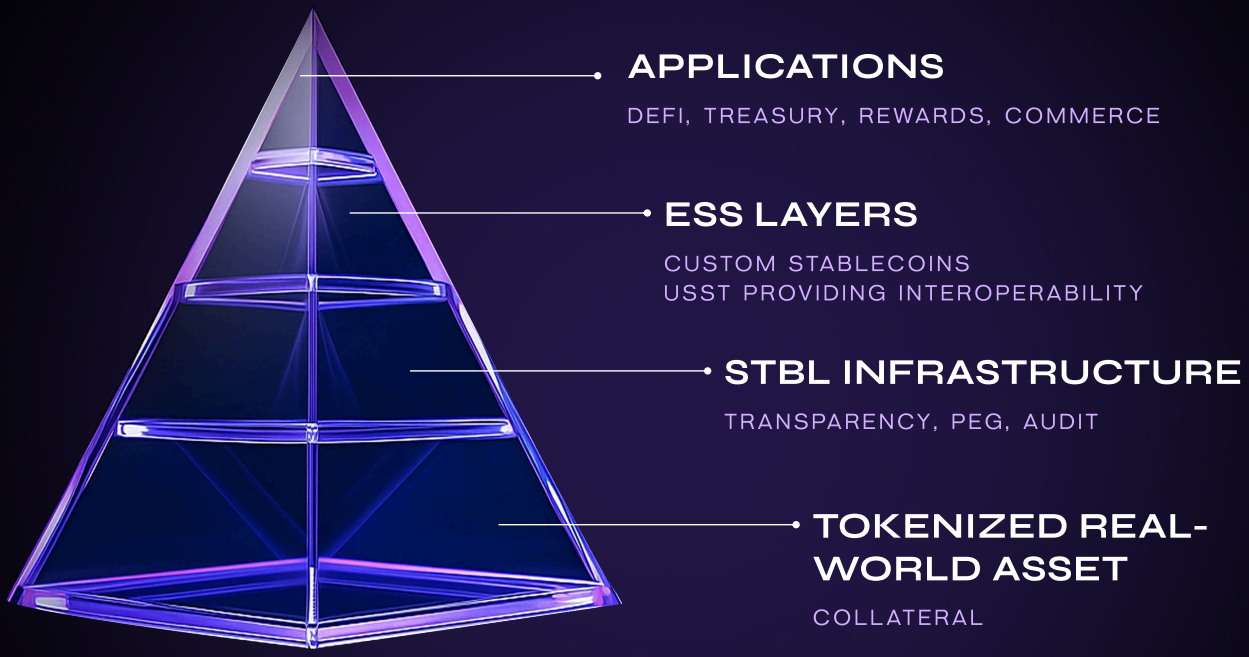
   While using a third-party currency on blockchain rails offers efficiency (fast, instant, free movement), it means losing control. When an enterprise or sovereign issues its own white-labeled stablecoin on STBL's transparent infrastructure, it gains **full control over policy, incentives, and supply**. This eliminates dependency on external banks or payment rails.

3. **Data, Analytics, and Rewards**

   ESS stablecoins grant organizations full data visibility to monitor and understand all transactions within their ecosystem. This enables **precision targeting** to identify power users and where value is created. This control allows organizations to use the generated yield to fund massive categories such as loyalty programs, staking, and rewards directly, providing more value to users.

4. **Stronger Network Effects**

   By introducing a native currency, the organization transforms its product into an economy and its users into participants, rather than just customers. This strategy creates stronger network effects, ensuring that the value created inside the ecosystem remains there and compounds.



STBL: The Foundation for the Ecosystem Economy

STBL provides the transparent infrastructure needed to make ESS scalable and successful. We are the essential technology provider, or "**the payment rails**," for ESS.

STBL offers two major differentiators:

- **Transparency and Custom Collateral:**
  STBL transforms real-world assets (RWA) into transparent, programmable stablecoins. Our solution mandates institutional-grade trust, with reserves held by partners like Franklin Templeton and Hamilton Lane. Crucially, **100% of our collateral is on-chain and auditable**. The ecosystem issuer gets to choose the collateral they want to use for their ESS.

- **Universal Interoperability:**
  The entire system is underpinned by the universal stablecoin, **USST**. When an enterprise launches its customized ESS token, it operates perfectly within its own sphere but remains interoperable by default. ESS users can swap seamlessly into USST, guaranteeing convertibility, universal stability, and liquidity across the global ecosystem.

Real-World Applications

This infrastructure enables white-labeled stablecoins across diverse sectors:

- **Retail & Corporations:**
  A global brand issues its own internal currency (e.g., Walmart coin) for supply chain efficiency, employee rewards, or vendor payments. This currency will be instantly swappable into other ecosystem coins on the back end.

- **Social & Gaming Platforms:**
  Creators earn and spend a native stablecoin, aligning incentives across the platform. In gaming, all interactions are denominated in a native, yield-earning stablecoin.

- **Governments & Institutions:**
  Sovereigns and institutions launch their own ESS to manage internal finances and reward citizens.

- **Payments Companies & PSPs:**
  Stablecoins are more efficient for cross-border cross-currency payments. STBL's ESS architecture enables money transmitters to also earn the yield on their stable assets, and optionally share this within their ecosystem.

ESS Use Case 1: Corporations

Operational Efficiencies, Yield Generation

Corporations are increasingly adopting stablecoins to improve treasury management efficiency, enable faster supplier and contractor payments, and reduce reliance on slow, expensive banking rails. Stablecoins are already used for working capital optimization, cross-border settlement, and treasury liquidity positioning, but in current models, all of the yield on the underlying reserves is captured by the centralized stablecoin issuer, not the corporate using the asset.

Ecosystem-Specific Stablecoin (ESS) reverses that.

With an Ecosystem-Specific Stablecoin (ESS) issued through STBL infrastructure, corporations gain the benefits of stable, dollar-linked liquidity and the ability to retain or reallocate the yield generated from the underlying reserves. This allows corporations to use a stable unit of account for payments, incentives, and settlement while keeping yield inside their own ecosystem instead of handing it to USDC/USDT issuers.

How Corporations Use an ESS

- Treasury Management Efficiency:
  Automated, 24/7 settlement for suppliers, contractors, and subsidiaries with reduced processing time and lower reliance on correspondent banks.

- Cross-Border, Cross-Currency Settlement:
  Enables faster international payments without wire cutoffs, clearing windows, FX costs, and opaque routing.

- Yield Capture and Distribution:
  USST acts as the spendable stable asset; the yield entitlement can be directed to treasury reserves, loyalty programs, supply chain incentives, or discount programs.

- Working Capital Flexibility:
  Real-time liquidity movements across business units and geographies.

- Programmable Compliance Controls:
  Permissioned transfer rules, KYC tiers, and corporate policy constraints embedded directly in the asset.

- Brand Alignment:
  Corporations strengthen ecosystem identity by issuing a branded stable asset on top of USST.

ESS Use Case 2: Banks / “Genius-as-a-Service”

Compliant Issuance, Client Engagement

Rapidly evolving regulations support bank-issued stable assets, as demonstrated by the GENIUS Act framework and forthcoming Clarity Act legislation. The direction is clear: banks will be permitted and expected to participate in digital asset settlement and tokenized liquidity markets. In this environment, inaction is not an option. Banks that delay risk ceding payments, deposits, and settlement relevance to private issuers.

ESS, delivered through STBL’s infrastructure, gives banks a ready-to-deploy, compliance-aligned digital asset strategy today. The bank retains custody of the underlying reserve collateral, issues the stable asset, and preserves the yield on the reserves. The stable token (USST or a bank-branded ESS asset) becomes the medium for payments, settlement, and customer engagement, while the corresponding yield entitlement remains with the bank or is shared strategically.

How Banks Use an ESS

- Issue a compliant stable asset backed by high-quality reserve collateral held directly or via sub-custody.
- Retain the yield on those reserves while offering customers and businesses a stable settlement asset.
- Make deposits stickier by giving customers a digital asset that keeps value circulating within the bank’s ecosystem instead of leaking into USDC/USDT platforms.
- Strengthen the balance sheet through increased reserve visibility, collateral optionality, and on-chain settlement infrastructure.
- Engage and grow the client base by offering programmable payments, business settlement rails, and API-enabled treasury tools.
- Open new lines of business, including online lending, ecosystem-linked consumer products, merchant settlement programs, and partner-issued stable assets.
- Support correspondent settlement modernization, enabling real-time clearing without relying solely on legacy payment networks.

Strategic Outcome

- Banks gain a future-proof settlement and treasury architecture that keeps value and yield inside the bank, expands customer engagement, and establishes leadership in the emerging digital asset infrastructure layer - all while building a stronger balance sheet and opening new revenue channels.

ESS Use Case 3: Sovereigns & Municipalities

Monetary Autonomy + Yield Retention

Sovereign treasuries and municipal governments are increasingly evaluating stable digital settlement assets to modernize payments infrastructure, reduce reliance on commercial banks for clearing, and expand financial inclusion. However, issuing or adopting private stablecoins results in yield leakage, where the interest earned on reserve collateral flows to centralized issuers, instead of supporting public budgets, local programs, or national development initiatives.

With Ecosystem-Specific Stablecoins (ESS) built on STBL infrastructure, sovereigns and municipalities can issue a stable asset backed by their own reserve collateral (e.g., T-bills, sovereign MMFs, municipal investment funds) while retaining the yield internally. USST acts as the stable, circulating unit, while YLD represents the retained yield stream, which can be directed toward public good funding, economic development incentives, or revenue offsets.

How Sovereigns and Municipalities Use an ESS

- Yield Preservation for Public Benefit:
  Rather than stablecoin reserve yield flowing to private issuers, YLD can be allocated to public sector programs (housing, education support, infrastructure renewals, municipal credit repair, small business guarantees).

- Creation of Tax-Privileged Demand for Domestic Treasuries:
  ESS design encourages natural and persistent demand for national and municipal debt instruments, reinforcing sovereign funding capacity without raising tax burdens.

- Modern, Real-Time Digital Payments Infrastructure:
  Enables government payroll, benefits disbursement, subsidies, and procurement settlement to occur instantly, across borders and time zones.

- Monetary Autonomy & Policy Clarity:
  Sovereigns maintain full control over issuance policy, eligibility rules, and compliance parameters — not ceded to private stablecoin operators.

- Local Economic Circulation:
  A branded stable asset builds a unified economic identity, encouraging value to remain within the jurisdiction and reinforcing local commerce.

- Cross-Border Government-to-Government & Trade Settlement:
  Reduces reliance on correspondent banking, SWIFT delays, and FX dependencies in regional partnerships or diplomatic trade corridors.

Strategic Outcome

- Sovereigns and municipalities gain the efficiency advantages of digital settlement while also capturing and deploying the yield generated from their own reserve collateral to fund public priorities, a model that strengthens fiscal sovereignty, accelerates modernization, and reduces structural reliance on external financial intermediaries.

ESS Use Case 4: Payments Companies & PSPs

Real-Time Settlement + Capital Release

Remittance Companies, Payment processors, merchant acquirers, and PSPs are increasingly using stablecoins to replace slow, expensive bank-to-bank settlement rails. A key limitation of today's system is the nostro–vostro model, where PSPs and banks must pre-fund accounts across multiple jurisdictions, trapping capital that could otherwise be deployed for growth, yield, or credit. Traditional correspondent banking is slow, fragmented across time zones, and costly to reconcile.

With an ESS, payments companies standardize settlement on USST as the composable settlement unit, enabling real-time clearing without requiring pre-funded nostro accounts. Meanwhile, the yield from the underlying reserve collateral remains with the payments company or can be shared with merchants, rather than accruing to a centralized stablecoin issuer.

How Payments Companies Use an ESS

- Eliminate Nostro–Vostro Pre-Funding:
  Free up working capital currently trapped in correspondent banking buffers across regions.

- Cross-Border, Cross-Currency Settlement:
  Faster, lower-cost settlement for merchants and marketplaces, operating 24/7/365 without wire cut-offs or clearing windows.

- Yield Retention:
  Under ESS architecture, payments companies keep or direct yield from reserve collateral, improving unit economics or enabling merchant rebates.

- Merchant Incentive and Retention Tools:
  Yield can be shared or directed to loyalty programs, reduced processing fees, or settlement discounts.

- Programmable Compliance Controls:
  KYC tiers, transaction limits, and allowed counterparties can be embedded in the settlement layer.

- Network Identity:
  Ability to issue a branded stable settlement asset, strengthening ecosystem cohesion across merchants, platforms, and payment partners.

The Age of Money as a Service (MaaS)

- The next wave of crypto is about transforming business models. Stablecoins are the rails, but Ecosystem Specific Stablecoins are the engines.

- By embracing ESS, companies and sovereigns position themselves not just to grow faster, but to own their distribution engine underpinning their economies. We are enabling a future where every great company will be its own central bank, and STBL, powering Ecosystem Specific Stablecoins, is the means to achieve that without the complexity of the mechanics of a central bank.