International Journal Of Management And Economics Fundamental

VOLUME Vol.06 Issue 10 2026
PAGE NO. 15-19
DOI 10.37547/ijmef/Volume06Issue10-03

Digital Currencies and Fintech

Xaydarova Madina Murodjon qizi

2nd-year student in Economics at Tashkent University of Applied Sciences, Uzbekistan

Jamoldinova Sabina Mansurjon qizi

Gavkhar street, Chilonzor district, Tashkent city, Uzbekistan

Received: 28 August 2026; **Accepted:** 25 September 2026; **Published:** 16 October 2026

Abstract: This article reviews the state of digital currencies and financial technology (FinTech) as of October 2026, drawing mainly on publications and decisions of international standard-setters, regulators and central banks. It separates four instrument classes—unbacked cryptoassets, stablecoins, central bank digital currencies (CBDCs) and tokenised bank money—and examines how three recent milestones are reshaping market structure: the end of the transitional period under the European Union's Markets in Crypto-Assets Regulation (MiCA), the staged implementation of the United States GENIUS Act, and the European Parliament's endorsement of its negotiating position on the digital euro. The review finds that a hybrid architecture is emerging, in which regulated private tokens and central bank money are expected to coexist, and that emerging economies face a distinctive trade-off between payment innovation and monetary sovereignty. Uzbekistan, which has opened a som-pegged stablecoin pilot while confining central bank work to a wholesale CBDC, is used as an illustrative case.

Keywords: Digital currencies; FinTech; stablecoins; CBDC; MiCA; GENIUS Act; tokenisation; Uzbekistan.

Introduction: Digital money has moved from the margins of finance to the centre of policy debate in little more than a decade. Early cryptoassets were largely speculative and sat outside the regulatory perimeter. Today, the discussion concerns the architecture of money itself: who may issue digital tokens that function as a means of payment, what assets must stand behind them, and what role the central bank should play in a tokenised financial system. FinTech firms, banks, technology platforms and public authorities now compete and cooperate within the same payment and settlement infrastructure.

Two developments make 2026 a useful vantage point. First, regulation has shifted from proposal to enforcement in several major jurisdictions. Second, official institutions have sharpened their assessment of private stablecoins, while central banks have continued, with uneven pace, to design public alternatives. The purpose of this article is to synthesise these developments, identify points of convergence and divergence, and consider their implications for emerging markets. The research question is: how are regulatory and central bank initiatives in 2025–2026 redefining the relationship between private digital tokens and public money?

CONCEPTUAL FRAMEWORK AND METHOD

The analysis follows the distinction used in recent central bank literature between instruments according to issuer, claim and function. A CBDC is a digital form of central bank money and therefore a direct liability of the central bank; its wholesale variant is limited to financial institutions, whereas a retail variant is accessible to the public (Illes, Kosse & Wierts, 2025). Stablecoins, by contrast, are privately issued tokens that aim to maintain a stable value against a reference asset, most often the US dollar. Table 1 summarises the taxonomy.

Table 1. Taxonomy of digital monetary instruments

Instrument	Issuer	Nature of claim	Main use	Example
Unbacked cryptoassets	Decentralised / private	No redemption claim	Investment, speculation	Bitcoin
Stablecoins	Private firms	Claim on reserve assets (if redeemable)	Trading, remittances, payments	USDT, USDC
Retail CBDC	Central bank	Direct central bank liability	Everyday public payments	Digital euro (proposed)
Wholesale CBDC	Central bank	Tokenised reserves	Interbank settlement	Pilots in several jurisdictions
Tokenised deposits	Commercial banks	Bank liability on a token ledger	Bank-to-bank and corporate payments	Bank consortium platforms

Source: author's synthesis, based on the definitions in Illes, Kosse and Wierts (2025) and the BIS Annual Economic Reports (2025, 2026).

Methodologically, the study is a qualitative document analysis. It relies on primary or near-primary material published between mid-2025 and October 2026: Bank for International Settlements (BIS) reports, statements of the European Securities and Markets Authority (ESMA), European Parliament and European Central Bank (ECB) communications, United States rulemaking notices, and announcements of the Central Bank of Uzbekistan and the National Agency for Prospective Projects (NAPP). Where official figures were not directly accessible, specialist legal and market reporting of official actions is cited and identified as such. Because several regimes are still being finalised, the findings describe a situation as of October 2026 rather than a settled equilibrium.

THE CURRENT LANDSCAPE

1. Central bank digital currencies

Central bank engagement remains broad. The 2024 BIS survey, published in August 2025, covered 93 central banks, of which 91% (85) were exploring a retail CBDC, a wholesale CBDC or both; wholesale projects were found to be at a more advanced stage, and more than one in three jurisdictions had accelerated their work in response to developments in stablecoins and other cryptoassets (Illes et al., 2025). The result suggests that CBDC research is increasingly motivated by a defensive objective, namely preserving the role of central bank money as cash declines and tokenisation spreads.

The euro area offers the most prominent retail example. On 9 July 2026 the European Parliament approved its negotiating position on the digital euro by 416 votes to 169, with 22 abstentions, opening the final trilogue stage with the Council and the Commission. Parliament's text envisages a digital euro that complements cash, is free of charge for basic use, works online and offline, and incorporates privacy safeguards. The ECB has indicated that a pilot could start in 2027 and first issuance in 2029, provided the legislation is adopted by the end of 2026, and that a final launch decision will follow only after adoption and the technical preparation phase. The vote therefore authorises negotiations, not issuance.

2. Stablecoins

Stablecoins have become the most widely used digital tokens in payment-related activity, although their precise scale depends on methodology. Industry trackers placed total capitalisation at a record of roughly USD 322–323 billion in May 2026, with a modest contraction to about USD 308 billion by August, whereas a more conservative BIS snapshot for March 2026 gave approximately USD 270 billion. The market is highly concentrated: at the end of the second quarter of 2026, Tether's USDT held about 60% and Circle's USDC about 24% of supply, and more than 99% of

outstanding stablecoins are pegged to the US dollar.

The BIS Annual Economic Report 2026 (released at the end of June 2026) is the most authoritative critical assessment to date. In a chapter on anchoring trust in money, it judges dollar-pegged tokens against four properties—singleness, elasticity, interoperability and integrity—and concludes that they fall short. It compares stablecoins to shares in an exchange-traded fund rather than to money, notes that market prices deviate from par and that redemption involves friction, and warns of "stablecoin dollarisation" in emerging economies. Its modelling suggests that even if the market grew to between USD 1 and 3 trillion, the net effect on output would be small and possibly slightly negative because of higher bank funding costs and reduced credit supply (BIS, 2026; as reported by The Block, 2026). This continues the position of the 2025 report, which tested stablecoins against singleness, elasticity and integrity and found them wanting (BIS, 2025).

3. Regulatory regimes

Regulation is where the most concrete change occurred during 2026. In the European Union, the transitional period under Article 143(3) of Regulation (EU) 2023/1114 (MiCA) ended on 1 July 2026. From that date, crypto-asset service providers (CASPs) without authorisation must wind down in an orderly manner, custody may continue only as long as strictly necessary to complete an exit, and cross-border structures may not be used to circumvent the rules (ESMA, 2026). The ESMA interim register listed about 213 authorised CASPs in 23 jurisdictions in late June 2026 (Elliptic, 2026) and approximately 321 in 26 member states by early August (Ledger, 2026), which illustrates how quickly authorisations were being completed as the deadline passed. The European Commission also opened a targeted consultation on the review of MiCA, open until 31 August 2026.

In the United States, the GENIUS Act, signed on 18 July 2025, created the first federal framework for payment stablecoins, with reserve, redemption and disclosure requirements, a dual federal–state pathway for issuers and a prohibition on issuers paying interest directly to holders. The statutory deadline for implementing rules, 18 July 2026, was missed: the Treasury, Federal Reserve, FDIC, OCC and NCUA had issued proposals but no principal final rules (Sumsub, 2026). The Act takes effect on the earlier of 18 months after enactment or 120 days after final rules are issued. On 18 August 2026 the Treasury proposed rules on the issuance, offer and sale of payment stablecoins that would apply to offers made to persons located in the United States, including by foreign issuers (Jones Day, 2026). Table 2 compares the principal regimes.

Table 2. Selected digital money regimes, status as of October 2026

Jurisdiction	Framework	Status	Distinctive feature
European Union	MiCA	Transitional period ended 1 July 2026; CASP authorisation mandatory	Passporting for authorised CASPs; ESMA register as public reference
United States	GENIUS Act	Law in force since July 2025; final rules pending after missed July 2026 deadline	Dual federal–state issuer regime; extraterritorial reach of proposed rules
Euro area	Digital euro regulation	Parliament position adopted 9 July 2026; trilogue under way	Retail CBDC complementing cash; ECB targets pilot 2027, issuance 2029

Uzbekistan	Sandbox regime (NAPP and Central Bank)	Som-pegged stablecoin pilot registered September 2026	Private stablecoin pilot; central bank limited to wholesale CBDC study

TOKENISATION AND FINTECH INFRASTRUCTURE

Beyond the instruments themselves, the BIS has argued that the more consequential change is architectural. Its proposed "unified ledger" would bring tokenised central bank reserves, tokenised commercial bank money and tokenised government bonds into a single programmable environment anchored in central bank money (BIS, 2025). Reserves provide the settlement asset that preserves singleness of money, while commercial banks continue to provide customer-facing services. The 2026 report presents the Agora project, reported to involve eight central banks and more than forty private institutions, as evidence that the concept is operationally feasible (as reported by KuCoin, 2026).

For FinTech firms this architecture implies a change in competitive position. Firms that previously relied on card networks and correspondent banking may instead build on shared token ledgers, but they must satisfy licensing, anti-money-laundering and sanctions standards that increasingly resemble those applied to banks. The GENIUS Act rules proposed in 2026 require issuers to maintain anti-money-laundering and sanctions programmes comparable to those of traditional institutions, and MiCA automatically makes authorised CASPs obliged entities under EU anti-money-laundering law. Regulatory compliance is therefore becoming a core source of FinTech competitiveness rather than an external constraint.

CASE STUDY: UZBEKISTAN

Uzbekistan illustrates how a middle-income economy with a young population and fast-growing digital payment use can approach the question differently from advanced economies. The Central Bank began formal research on a digital som in 2025, and the FinTech support programme for 2025–2026 envisaged a roadmap for an experiment with a CBDC as a means of payment (Kun.uz, 2026a). In November 2025 the authorities approved a framework allowing stablecoin payment trials and tokenised securities in a sandbox jointly supervised by NAPP and the Central Bank.

The 2026 decisions show a more selective strategy. In September 2026 the Central Bank stated that it is studying only a wholesale digital som, based on distributed ledger technology and intended for settlements between banks and payment organisations; it plans to assess the benefits by the end of 2027, and officials stressed that introduction has not been decided (Kun.uz, 2026b). The Governor, Timur Ishmetov, added that the Central Bank sees no value in creating a retail digital currency, because private FinTech services already meet the need (bne IntelliNews, 2026). Almost simultaneously, NAPP registered Humo Digital in the special regime to test issuance, circulation and redemption of HUMO, a token pegged one-to-one to the som and backed by government securities. More than twenty merchants are prepared to accept it; the initial trial lasts twelve months and the total project duration is capped at three years (Cointelegraph, 2026). In parallel, the Central Bank has announced an upgraded regulatory sandbox, a training programme for 5,000 specialists and a target of USD 1 billion in FinTech investment by 2030 (Kun.uz, 2026c).

The Uzbek approach can be read as a division of labour: private issuers provide retail tokens, while the central bank concentrates on wholesale settlement and on supervision. It also addresses the risk highlighted by the BIS, since a locally denominated, reserve-backed token offers residents a digital alternative that does not require holding foreign-currency stablecoins. Whether this design succeeds will depend on reserve transparency, redemption reliability and the interoperability of the token with bank payment systems, all of which the pilot is intended to test.

Four observations follow from the evidence. First, regulatory convergence is real but partial. The EU and the United States both treat stablecoins as regulated payment instruments with reserve and redemption duties, yet they differ in institutional design, timing and the treatment of retail CBDC: the euro area is advancing a public retail instrument, while the Uzbek authorities have explicitly declined one. Second, official assessments are more sceptical than market enthusiasm suggests. The BIS's tests of singleness, elasticity, interoperability and integrity set a demanding benchmark that private tokens do not currently meet without a central bank anchor, which supports the policy emphasis on wholesale CBDC and tokenised reserves.

Third, the distributional effects across economies differ. For issuers of reserve currencies, stablecoins can

extend monetary reach; for emerging economies, they can increase currency substitution and weaken monetary sovereignty. Local-currency tokens such as HUMO are one defensive response, although their scale and credibility remain unproven. Fourth, evidence quality is a constraint: market-size estimates differ by tens of billions of dollars across sources, regulatory texts are still being finalised, and some figures in this review rely on secondary reporting of official acts. Conclusions should therefore be treated as provisional and tested against primary documents as final rules appear.

CONCLUSION

By October 2026, digital currencies and FinTech are being absorbed into the regulated financial system rather than operating alongside it. MiCA is now fully enforceable, the GENIUS Act is moving toward final rules, the digital euro has passed a major legislative step, and central banks surveyed by the BIS overwhelmingly continue to explore CBDCs. The likeliest medium-term outcome is a layered system in which central bank money provides the settlement anchor, regulated banks and licensed issuers offer tokenised products, and FinTech firms compete on service quality within a tightening compliance framework. For emerging economies such as Uzbekistan, the priority is to capture efficiency gains while protecting monetary sovereignty. Future research should evaluate pilot outcomes empirically, including reserve quality, redemption behaviour and consumer protection, once sufficient data become available.

REFERENCES

1. Bank for International Settlements. (2025). The next-generation monetary and financial system (Annual Economic Report 2025, Chapter III). https://www.bis.org/publications/aer-2025/next-generation-monetary-financial-system
2. bne IntelliNews. (2026, September 7). “We do not see any value”: Uzbekistan rejects a retail digital currency and hands the job to stablecoins. https://www.intellinews.com/we-do-not-see-any-value-uzbekistan-rejects-a-retail-digital-currency-and-hands-the-job-to-stablecoins-466196/
3. Business Now. (2026, July 10). EU MEPs vote to start digital euro negotiations. https://businessnow.mt/eu-meps-vote-to-start-digital-euro-negotiations/
4. Cointelegraph. (2026, September 8). Uzbekistan begins government bond-backed stablecoin payment pilot. https://regional-front.cointelegraph.com/news/uzbekistan-humo-stablecoin-payment-pilot
5. Elliptic. (2026, June 30). What the end of MiCA’s transitional period means for crypto businesses. https://www.elliptic.co/insights/what-the-end-of-micas-transitional-period-means-for-crypto-businesses/
6. Illes, A., Kosse, A., & Wierts, P. (2025). Advancing in tandem – results of the 2024 BIS survey on central bank digital currencies and crypto (BIS Papers No. 159). Bank for International Settlements. https://www.bis.org/publ/bppdf/bispap159.htm
7. Jones Day. (2026, August). U.S. Treasury proposes GENIUS Act rules for stablecoin issuance, offer, and sale. https://www.jonesday.com/en/insights/2026/08/us-treasury-proposes-genius-act-rules-for-stablecoin-issuance-offer-and-sale
8. KuCoin. (2026). BIS warns stablecoins lack monetary attributes and pose dollarization risks to emerging markets [News flash]. https://www.kucoin.com/news/flash/bis-warns-stablecoins-lack-monetary-attributes-and-pose-dollarization-risks-to-emerging-markets
9. Ledger. (2026). MiCA regulation explained. https://www.ledger.com/academy/topics/economics-and-regulation/mica-regulation-explained
10. Sumsub. (2026, July 21). GENIUS Act implementation falls behind as agencies miss deadline. https://sumsub.com/media/news/genius-act-implementation-falls-behind-as-agencies-miss-deadline/