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# When Stablecoins Meet Fund Subscriptions: What Actually Changes

The GENIUS Act, MiCA, FINMA guidance, and now a CHF stablecoin sandbox backed by six of Switzerland's largest banks have turned the settlement question from theoretical to operational.

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## Key Takeaways

1. Six Swiss banks (UBS, PostFinance, Sygnum, Raiffeisen, ZKB, BCV) launched a CHF stablecoin sandbox on 8 April 2026 with Swiss Stablecoin AG. The token (CHFD) runs on Ethereum as ERC-20 with full CHF cash reserves.
2. Switzerland is running two parallel digital money tracks: private CHF stablecoin (CHFD sandbox) and wholesale CBDC (SNB Project Helvetia on SDX, extended to mid-2027). Complementary, not competing.
3. A pending Swiss AML reform could shift stablecoin regulation from mandatory whitelisting to optional blacklisting, removing a structural barrier to broad CHF stablecoin adoption.
4. Fund administrators need six operational prerequisites before accepting stablecoin subscriptions: stablecoin whitelist, finality threshold per chain, AML/KYC onchain integration, NAV cut-off rules, dual-rail accounting, and stablecoin-specific redemption procedures.
5. Onchain fund administration (fume.finance) bridges the gap between stablecoin settlement rails and fund operations by encoding subscription logic, compliance and NAV calculation into smart contracts (ERC-6909).
6. The Qivalis euro stablecoin consortium (12 European banks, H2 2026) signals this is a structural shift across currencies, not a Swiss experiment.

## The CHF Stablecoin Sandbox

On 8 April 2026, UBS, PostFinance, Sygnum, Raiffeisen, Zürcher Kantonalbank, BCV and Swiss Stablecoin AG launched a joint sandbox for a regulated Swiss franc stablecoin. The token is called CHFD. It runs on Ethereum as an ERC-20. The issuing entity, CHFD Infrastruktur AG, is affiliated with VQF, a FINMA-recognised self-regulatory organisation. The sandbox volume is deliberately capped below CHF 1 million to stay within fintech sandbox exemptions. The consortium is open to additional banks and institutions.

**This is not a press release about the future. It is six systemically relevant Swiss banks testing a CHF-denominated stablecoin in a live, controlled environment, right now.**

## The Scale of the Shift

Stablecoin market capitalisation hit USD 317 billion in April 2026, up more than 50% since early 2025 (Federal Reserve FEDS Note, April 2026). Transaction volumes on Ethereum rose 50% since the GENIUS Act was signed in July 2025. Interactive Brokers started accepting USDC for brokerage account funding in January 2026. In Europe, a consortium of 12 banks including BBVA, ING and UniCredit is backing Qivalis, a digital euro stablecoin scheduled for debut in H2 2026.

**The payments side is moving. The fund operations side is not keeping pace.**

## The Core Problem: Settlement Finality

A traditional fund subscription works on a known settlement cycle. Investor wires fiat. Bank confirms receipt. Administrator records the subscription at the next NAV point. The chain of custody is clear because the banking system, for all its friction, has well-defined settlement finality. When a wire hits the fund's account, it is final.

Stablecoins break that chain. Not because they are unreliable. Because the definition of "final" is different on a blockchain than it is in the banking system, and most fund administrators have not yet decided which definition they accept.

### How Finality Differs Across Chains

On Ethereum, a transaction is included in a block within seconds. But block inclusion is not settlement finality. Ethereum's proof-of-stake mechanism reaches finality after two epochs, roughly 12.8 minutes. On Solana, finality is faster but the guarantees are different. On permissioned chains, finality depends on the consensus mechanism the operator chose.

For a fund administrator, that question is not academic. It determines when the subscription is recorded, which NAV the investor receives, and whether the fund's books are accurate. Get it wrong and you have a reconciliation problem. Get it wrong at scale and you have a regulatory problem.

The CHFD sandbox makes this concrete. The stablecoin runs on Ethereum. Participating banks interact with the Swiss Stablecoin AG platform via API or web interface. That means an administrator processing a CHFD subscription needs to define, today, how many block confirmations constitute finality for the purposes of recording a CHF-denominated fund subscription.

## The Regulatory Landscape

The GENIUS Act (signed 18 July 2025) helps on the reserve side. It requires permitted payment stablecoin issuers to maintain 1:1 reserves in high-quality assets. USDC already meets this standard: Circle maintains full 1.0x backing in Treasuries, repos and bank deposits. USDT maintains approximately 1.04x total reserves, but only about 0.74x in higher-quality assets (Federal Reserve, April 2026).

MiCA in Europe addresses stablecoin issuance and distribution but does not prescribe how a fund administrator should treat a stablecoin receipt for subscription purposes. FINMA's July

2024 guidance establishes default guarantee requirements for Swiss banks but stops short of defining settlement finality for fund operations. The BIS CPMI has stated that stablecoins should follow the same settlement standards as traditional finance. That is a principle, not an implementation spec.

## The Swiss AML Shift

In October 2025, the Swiss Federal Council published proposed legislative changes to AML treatment of stablecoins. The consultation closed in February 2026. Among the proposals: stablecoin issuers would have a choice between whitelisting users (identifying every holder) or maintaining a blacklist (blocking sanctioned addresses while allowing broader access). The blacklist model is far more permissive. If adopted, it would remove one of the structural barriers that has prevented any CHF stablecoin from gaining broad domestic traction.

The CHFD sandbox uses the whitelist approach today. But the legislative direction signals that Switzerland is preparing for wider stablecoin adoption, not restricting it.

## Project Helvetia: The Parallel Track

The CHFD sandbox does not operate in isolation. The Swiss National Bank's Project Helvetia has been running since late 2023, issuing wholesale CBDC on the SIX Digital Exchange (SDX) platform. In June 2025, the SNB extended Helvetia to at least mid-2027 and expanded it to include settlement via RTGS link through the SIC payment system.

**These are not competing initiatives. They are complementary.**

The SNB wholesale CBDC is positioned for interbank settlement of tokenised assets on regulated DLT platforms. A private CHF stablecoin like CHFD is positioned for retail payments, programmable money applications and, critically, fund subscription and redemption flows. For fund administrators, this dual-track approach means two potential settlement rails are being built simultaneously.

## Six Operational Requirements

What does a fund administrator actually need before accepting stablecoin subscriptions?

### 1 Stablecoin Whitelist

Not all stablecoins carry the same reserve quality or regulatory status. USDC under the GENIUS Act is a different instrument from an unregulated offshore stablecoin. CHFD under VQF affiliation with full CHF cash reserves at a regulated Swiss bank is a different instrument again. The administrator needs a tiered classification, reviewed quarterly.

### 2 Finality Threshold Per Chain

How many block confirmations before the administrator treats the transfer as final? For the CHFD on Ethereum, the 12.8-minute finality window is the floor. The administrator documents this threshold, the rationale, and the fallback procedure if a reorg occurs.

### 3 AML/KYC Onchain Integration

The investor's wallet address needs to be linked to a verified identity before the subscription is processed. This is not optional under FinSA, MiCA or the GENIUS Act. The CHFD sandbox already implements this through an allow-listing mechanism.

### 4 NAV Cut-Off Rules

If finality takes 12.8 minutes on Ethereum, the cut-off window needs to reflect that. A subscription received at 15:59 UTC might not be final until 16:12. The alternative is accepting subscriptions that later turn out to be reversible, creating NAV contamination risk.

### 5 Dual-Rail Accounting

The fund tracks both the onchain transaction and the corresponding traditional book entry. fume.finance deploys fund-specific ERC-6909 smart contracts encoding offering memorandum terms directly into contract logic. HCP uses fume's onchain fund administration OS: the onchain record and the fund books are one data source with two outputs.

### 6 Redemption Procedures

If a fund accepts CHF stablecoin subscriptions, investors will expect CHF stablecoin redemptions. The administrator defines which stablecoins are available for redemption, what happens if the preferred stablecoin has insufficient liquidity, and whether the banking partner can handle fiat-to-stablecoin conversion at the required speed.

## The Trade-Off

Stablecoin subscriptions are faster than wire transfers. They settle on weekends. They work across borders without correspondent banking chains. For a fund with investors in Zurich, Singapore and Dubai, that matters.

**But speed without finality certainty is not an improvement. It is a different kind of risk.**

The Federal Reserve's April 2026 analysis identifies three structural vulnerabilities: complex intermediation chains between issuers and service providers, vertical integration that obscures risk, and expanding integration with traditional finance that amplifies the systemic footprint. These are not reasons to avoid stablecoins. They are reasons to build the operational controls before you start processing subscriptions.

## The fume.finance Connection

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The gap between "stablecoins exist" and "fund administrators can use them" is an infrastructure gap, not a regulatory gap. What is missing is the operational middleware: the layer that connects a stablecoin payment to a fund subscription, applies the compliance checks, records the transaction against the correct NAV, and produces an auditable record.

fume.finance (FumeX AG, Locarno, CHE-342.025.757) processes subscription and redemption requests through smart contracts that issue and burn tokenised fund units (ERC-6909). The manager interacts with the protocol to validate NAV calculation, extract fees and execute redemptions. Investors can subscribe with stablecoins or fiat. The protocol is chain-agnostic, meaning it can adapt to new settlement rails without rebuilding the fund's administrative logic.

The CHFD sandbox just created the first credible CHF-denominated settlement rail for this kind of workflow. The question for fund managers is no longer whether stablecoin subscriptions will happen. It is whether their administrator's infrastructure is ready when they do.

## What Happens Next

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The CHFD sandbox runs through 2026. The SNB's Project Helvetia runs until at least mid-2027. The Swiss Federal Council's AML consultation results will determine whether the blacklist model opens CHF stablecoins to broader distribution. The Qivalis euro stablecoin is scheduled for H2 2026.

By the end of this year, Switzerland will have tested both a private CHF stablecoin and a wholesale CBDC in parallel, with live bank participation, under regulatory oversight. No other jurisdiction has both tracks running simultaneously with this level of institutional commitment.

The institutions that move first will not be the ones with the most advanced blockchain infrastructure. They will be the ones that answered the six operational questions and documented the answers in a way their auditor accepted.

**Stablecoins will become a standard settlement rail for fund subscriptions. The remaining gap is operational. That gap will close. The question is whether your fund's administrator closes it before your investors start asking why they cannot subscribe on a Saturday.**

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[Stablecoins](#) | [Settlement Finality](#) | [Fund Operations](#) | [GENIUS Act](#) | [MiCA](#) | [FINMA](#) | [Switzerland](#) | [CHFD](#) | [Project Helvetia](#) | [fume.finance](#)

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