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The Jurisdiction of Par: Juridical Singleness and the Legal Identity of Stablecoins

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Abstract
Stablecoin laws regulate issuers, reserves, redemption, and insolvency, while stablecoins circulate as technically interchangeable tokens through markets and intermediaries. In multi-issuer arrangements, units bearing the same designation may be supported by different entities, reserves, and legal regimes. This article asks whether a holder's right to par follows the token when the ledger does not identify those relationships. Building on scholarship that treats stablecoins as legal claims and examines multi-issuer structures, it shifts the analysis to the continuity of rights at the unit level. The article introduces juridical singleness, defined as the condition in which units of the same digital monetary instrument carry functionally equivalent core rights without requiring a transferee to investigate their provenance. Unlike monetary singleness, which concerns exchange at par, juridical singleness concerns the identity of the redemption debtor, access to par, reserve protection, governing law, and insolvency priority. The article applies this framework to Canadian, European Union, and United States stablecoin law. The comparative analysis is supplemented by a structured review of issuer terms and a bounded case study of the March 2023 USDC dislocation. It identifies a trilemma among global technical fungibility, jurisdiction-specific reserve segregation, and holder-neutral portability of rights. The article concludes that digital money's legal credibility depends on whether its associated rights remain intelligible, enforceable, and functionally equivalent as the unit circulates.

Keywords: digital money, juridical singleness, multi-issuer stablecoins, redemption rights, stablecoins
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1. The Token Without a Legal Passport: From Technical Fungibility to Juridical Singleness

Reserve-backed, fiat-referenced stablecoins combine two institutional structures. Their legal architecture centres on an issuer that receives funds, maintains reserves, and undertakes, subject to law and contract, to return the referenced currency. Their market architecture consists of transferable digital units circulating through exchanges, custodians, unhosted wallets, and distributed ledgers (Bruce et al., 2022; Catalini et al., 2022). Recent stablecoin statutes largely regulate the first structure by imposing reserve and redemption obligations on identified legal entities. Markets can treat units bearing the same token designation as interchangeable. Multi-issuer arrangements expose the tension between these structures because legally

distinct entities may issue fungible units of the same token under different regulatory regimes (Sotiropoulou & Direr, 2026; Zetzsche, 2026).

A ledger records the token's technical state, including the address controlling it and the transactions through which control has changed. It need not identify the legal person that incurred the corresponding obligation, the reserve attributed to the unit, or the law governing enforcement. Zetzsche (2026) distinguishes technical issuance from legal issuance in multi-issuer structures. Private international law scholarship also identifies substantial differences among national rules for determining the law applicable to digital assets without an exclusive territorial location (Lehmann, 2024). Technical traceability therefore does not necessarily establish legal provenance.

1.1 Stablecoin Claims After Transfer

The literature has already established much of the general legal account of stablecoins. Stablecoins have been examined as contractual claims supported by reserves, redemption arrangements, and public regulation (Bruce et al., 2022). Odinet et al. (2026) develop a private-law account of stablecoin moneyness based on the legal nature of the claim, safety, discharge capacity, and negotiability. Other work compares stablecoins with central bank money and tokenized commercial-bank deposits (Garratt & Shin, 2023), while recent scholarship addresses the regulatory and reserve-management problems created by multi-issuer arrangements under MiCA (Sotiropoulou & Direr, 2026; Zetzsche, 2026). This article takes those findings as its starting point. It shifts the unit of analysis from the general classification of an instrument or the permissibility of an issuer structure to the legal continuity of a particular unit as it circulates.

The central question is whether a holder's right to par travels with the token. "Par" means conversion into the reference currency at the token's stated face value. The existence and content of that right may depend on facts external to the ledger entry, including the entity that issued the unit, the holder's contractual eligibility, the custody arrangement, the place where redemption is sought, and the governing law. These distinctions become especially important when fungible units are issued across jurisdictions while reserves remain attributed to particular entities or territories (Sotiropoulou & Direr, 2026). The problem concerns continuity of rights after transfer rather than the initial legal classification of the stablecoin.

Market price cannot answer this question. The "singleness of money" generally refers to different instruments denominated in the same unit of account exchanging at face value without an instrument-specific discount (Garratt & Shin, 2023). Eligible market participants can support a stablecoin's price by arbitraging deviations between issuer-operated primary markets and public secondary markets. Lyons and Viswanath-Natraj's (2023) transaction-level study found that reforms expanding access to Tether's arbitrage mechanism reduced the absolute size of peg deviations by approximately one half. That finding provides evidence about the price effects of arbitrage design for a major stablecoin. It does not establish that all holders possess equivalent redemption, reserve, or insolvency rights. A common market price can coexist with materially different legal claims.

This article calls the condition in which those differences are overcome juridical singleness. A digital monetary instrument possesses juridical singleness when units of the same token carry functionally equivalent core rights throughout circulation without requiring a transferee to investigate their provenance. Those rights concern, at minimum, the redemption debtor, eligibility to demand par, the reserve supporting the claim, governing law, and priority upon issuer failure. Juridical singleness is the legal counterpart to monetary

singleness. It extends analysis beyond exchange value, interoperability, and settlement finality to the continuity of holder-facing rights after transfer (Coste & Pantelopoulos, 2025; Garratt & Shin, 2023). The article argues that technical fungibility and price parity do not establish legal fungibility. Where equivalent rights are absent, the issuer, reserve, governing law, and redemption venue associated with a unit must remain reliably identifiable throughout circulation.

The analysis develops three forms of stablecoin identity. Technical identity concerns the unit recorded and transferred on a ledger. Balance-sheet identity concerns the entity and reserve to which issuance is attributed. Juridical identity concerns the enforceable rights, priorities, and governing-law rules attached to the unit. Their possible divergence produces a stablecoin identity trilemma involving global technical fungibility, jurisdiction-specific reserve segregation, and holder-neutral portability of rights.

The article's contribution lies in combining this jurisprudential framework with comparative legal analysis and documentary evidence. It compares the stablecoin statutes of Canada, the European Union, and the United States using the same set of legal questions. It examines selected issuer documents to determine how redemption rights and conditions of access vary after transfer. It also uses the March 2023 USDC dislocation as a bounded case study of how differences in redemption access can become economically significant during market stress. This combination permits juridical singleness to be examined as a feature of legislation, contractual design, and market operation.

The inquiry is confined to privately issued, reserve-backed payment stablecoins referencing a single fiat currency. The EU comparison therefore centres on MiCA's e-money-token category, which concerns tokens referencing one official currency. Asset-referenced tokens form a separate category and are considered briefly to clarify the different redemption entitlement under Article 39 (Regulation (EU) 2023/1114, arts. 3(1)(6)-(7), 39). Algorithmic, crypto-collateralized, and securities-linked instruments are considered only where needed to clarify a conceptual boundary. General anti-money-laundering questions fall outside the inquiry unless they directly affect transfer, redemption, or enforceability. Central bank digital currencies and tokenized commercial-bank deposits serve as controlled comparators because their liabilities remain connected to a central bank or an identifiable deposit-taking institution (Garratt & Shin, 2023). They are used to isolate the stablecoin provenance problem rather than to construct a new taxonomy of digital money.

Section II situates the unit-level inquiry within the established literature on money, stablecoins, monetary singleness, and multi-issuer structures. Section III develops the concept of juridical singleness and the three-layer account of stablecoin identity. Section IV explains the comparative and document-based research design. Section V compares the Canadian, European Union, and United States statutory regimes, and Section VI presents the review of issuer documents and the USDC stress-event evidence. Section VII formulates the stablecoin identity trilemma. Section VIII evaluates the unitary-liability, network-liability, and segmented-provenance models and derives a juridical-singleness rule. Section IX concludes by considering digital money as a problem of continuity of rights.

2. Beyond "What Is Money?": From Class-Level Moneyness to Unit-Level Rights

The literature on moneyness begins from distinct accounts of what money is and how it acquires monetary capacity. Functional analysis identifies money through the work it performs, conventionally as a medium of exchange, unit of account and store of value. Search-theoretic models emphasize exchange by

explaining how an otherwise non-consumable object can become generally acceptable when it reduces trading frictions (Kiyotaki & Wright, 1989). Recent survey research observes that these canonical functions were developed principally for physical currency and do not capture several properties of digital money, including programmability and record architecture (Hull & Sattath, 2024). Functional success therefore measures moneyness without conclusively identifying its legal source.

Credit and state theories approach the question differently. Credit theories understand modern money as a transferable debtor-creditor relationship denominated in an abstract money of account (Ingham, 2004). State or chartalist accounts emphasize the authority that defines that unit, determines acceptable means of discharging public obligations and sustains a monetary system through law. Desan's (2014) historical analysis similarly treats money as an institution designed by political communities and shows how public authority enabled privately administered bank currency to enter the monetary order. The relationship between these approaches remains contested: recent scholarship disagrees over whether credit is constitutive of money or becomes money only after an institutional process confers a recognized monetary position upon it (Ingham, 2026; Lawson, 2026).

Research on modern banking connects these theories to the public-law foundations of private money. Commercial-bank deposits are private liabilities, but their acceptance at par depends on bank licensing, prudential supervision, central-bank liquidity, deposit insurance and specialized resolution (Hockett & Omarova, 2017; Ricks, 2016). Gorton (2017) describes money-like safe assets as information-insensitive claims ordinarily accepted at face value without costly investigation into their underlying quality. Public institutions reduce the need for each holder to assess issuer solvency in every transaction. Stablecoin scholarship applies this historical analogy to reserve-backed tokens, although the analogy is imperfect because stablecoin issuers, reserves and redemption arrangements differ materially from conventional banks (Bruce et al., 2022; Gorton & Zhang, 2023).

2.1 Stablecoin Claims and Monetary Singleness

Recent legal scholarship provides a detailed private-law account of stablecoin moneyness. Odinet et al. (2026) identify four conjunctive elements: the legal nature and substance of the claim, safety, discharge capacity, and negotiability. The claim element concerns the identity of the obligor, the performance owed, the persons entitled to enforce the obligation, and any conditions governing enforcement. Safety concerns the legal and institutional arrangements that support performance at face value, including reserve assets, custodial structures, insolvency protections, and other mechanisms for allocating potential losses. Discharge capacity addresses whether tender or transfer of the instrument can satisfy a monetary obligation and when that transfer becomes legally final. Negotiability concerns whether a transferee can acquire and circulate the instrument without remaining exposed to property claims or defences arising from earlier transactions (Odinet et al., 2026). Redemption connects these elements by providing a route from the stablecoin claim into the referenced sovereign currency, although the practical value of that route depends on which holders may invoke it and on what terms. Bruce et al. (2022), drawing on issuer documentation, show that possession of a stablecoin, contractual standing against its issuer, and direct operational access to redemption may diverge, particularly for secondary-market holders. This literature establishes that stablecoin moneyness depends on the legal architecture supporting the instrument. It leaves a distinct unit-level question unresolved: whether the legal incidents associated with a particular stablecoin unit remain continuous and functionally equivalent as that unit circulates among holders, intermediaries, issuers, and jurisdictions.

The "singleness of money" debate adds a system-level criterion. Garratt and Shin (2023) argue that bearer-like stablecoins can trade at issuer-specific rates, while tokenized deposits remain claims on identified banks and settle through central-bank money, making them more conducive to exchange at par. Gorton and Zhang (2023) draw a related comparison with historically fragmented private banknotes. Coste and Pantelopoulos (2025) take a conditional position: stablecoins issued by different entities can be fungible when ledgers provide settlement finality, infrastructures are interoperable and conversion into central-bank money remains reliable. The disagreement partly reflects definition. A narrow account observes exchange at par; a broader account includes the institutional conditions that make par exchange dependable.

This literature establishes law and institutions as constitutive sources of moneyness, with technology supplying the medium of record and transfer. That proposition is now the premise for further inquiry. Existing frameworks generally evaluate an instrument, issuer or token species as a class, asking whether stablecoins possess secure claims, reliable redemption, final settlement or negotiable circulation. They give less sustained attention to whether those legal incidents remain attached to a particular unit after it leaves the issuer and passes through different holders, custodians and jurisdictions. The missing question concerns continuity of legal attributes through circulation, a question distinct from initial classification.

Multi-issuer scholarship comes closest to this problem. Zetzsche (2026) distinguishes legal from technical issuance and examines parallel and syndicated issuance under MiCA. Sotiropoulou and Direr (2026) show how fungible tokens issued by separate entities can expose geographically segregated reserves to uneven redemption pressure. Their analyses concentrate on the organization, permissibility and prudential consequences of multi-issuer arrangements within the European framework. Building on that work, this article examines holder-facing legal continuity across Canada, the European Union and the United States. Juridical singleness describes the functional equivalence of the core rights attached to each circulating unit. The stablecoin identity trilemma captures the tension among global technical fungibility, jurisdiction-specific reserve segregation and portable holder rights. Together, these concepts shift the analysis from the monetary qualities of a token class to the legal identity of the individual unit in circulation.

3. A Theory of Juridical Singleness: Identity and Rights in Circulating Stablecoins

3.1 Three Forms of Stablecoin Identity

A theory of juridical singleness begins by separating three forms of stablecoin identity: technical, balance-sheet, and juridical. The distinction matters because the digital object visible to a transferee may remain uniform while the institutions and enforceable relations associated with it vary. Stablecoin taxonomies commonly distinguish instruments by stabilization mechanism, collateral, governance, and ledger design (Catalini et al., 2022; Moin et al., 2020). These classifications illuminate system architecture, but do not establish whether units bearing the same designation carry the same legal incidents.

Technical identity describes the unit as constituted within a digital system. It comprises the smart contract, contract address, token standard, ledger entry, or cryptographic record through which control is represented and transfers are executed. A protocol ordinarily treats units generated by the same contract as interchangeable balances. Multi-chain arrangements complicate this picture because one commercial token may be represented by different contracts or bridging mechanisms, although technical rules may preserve brand-level interchangeability (Zetzsche, 2026). Technical identity identifies the digital object and transfer protocol. It does not identify the obligor, supporting assets, or governing law. A digital asset's ledger location

also fails to supply a unique territorial connecting factor for proprietary and contractual questions (Lehmann, 2024).

Balance-sheet identity concerns the legal person against whom the corresponding obligation is recorded or attributed and the reserve pool intended to support it. A simple model combines issuance, reserve maintenance, and redemption in one entity. More complex structures distribute these functions across affiliates or jurisdictions. Multi-issuer arrangements may permit a token marketed under one name to be issued or redeemed by distinct legal entities under different regulatory regimes, although the units circulate as commercially fungible (Sotiropoulou & Direr, 2026; Zetzsche, 2026). The unit-level inquiry is which entity's liability corresponds to the unit held and which reserve pool bears its redemption demand.

Juridical identity denotes the enforceable relationships implicated by the unit, including the redemption debtor and eligible claimant, governing law and forum, rights in or against reserves, and priority upon insolvency. These incidents cannot be inferred reliably from token control. A person able to transfer a stablecoin on-chain may lack contractual standing to redeem it directly, a proprietary interest in reserves, or a clearly defined insolvency claim. The result may turn on issuer terms, mode of acquisition, custody arrangements, and applicable property and insolvency law (Bruce et al., 2022). Juridical identity identifies what the holder can demand, from whom, and under which conditions. The central problem arises where technical identity remains uniform while balance-sheet and juridical identities diverge.

3.2 Functional Equivalence After Transfer

A digital monetary instrument possesses juridical singleness when acquisition of a unit gives a transferee functionally equivalent core rights without requiring investigation of that unit's provenance. Provenance includes its original issuer, supporting reserve pool, jurisdictional route, and passage through custodial or secondary-market arrangements. Functional equivalence allows procedural differences, provided materially similar holders do not face different core outcomes solely because indistinguishable units travelled through different institutional channels. The relevant incidents are the redemption debtor; par amount and currency; eligibility for direct redemption; permissible fees, delays, and suspensions; rights against segregated reserves; insolvency priority; the effects of transfer through a custodian or secondary market; and cross-border recognition and enforceability. Technical fungibility coexists with juridical plurality whenever those incidents depend materially on facts external to the unit.

Juridical singleness is distinct from price singleness. A common secondary-market price can arise through arbitrage even when direct issuer access is confined to approved institutions. Empirical work on Tether found that reforms broadening arbitrage access substantially reduced absolute deviations from the peg, illustrating how primary-market convertibility can discipline secondary-market prices (Lyons & Viswanath-Natraj, 2023). Federal Reserve researchers likewise describe institutional customers transacting directly with issuers while many retail users acquire stablecoins on exchanges and depend on intermediaries to connect primary and secondary markets (Watsky et al., 2024). A secondary holder may obtain economic exposure to par because an authorized participant can redeem while lacking a personal right to demand par. Price equality does not establish equivalent causes of action, reserve entitlements, or insolvency recoveries.

Arbitrage and confidence in continued redemption may conceal this distinction during ordinary trading. Stress can expose segmentation when reserve access, custodial transfers, or issuer redemptions become constrained. The temporary USDC dislocation following Silicon Valley Bank's failure illustrates how

uncertainty about reserve access and interruptions in redemption channels can affect secondary pricing (Watsky et al., 2024). This descriptive episode does not isolate juridical fragmentation as the cause. It does show why price data alone cannot determine whether all holders possess equivalent routes to legal performance.

CBDCs and tokenized deposits clarify the concept's boundaries. A retail CBDC is ordinarily a direct central-bank liability, so intermediated distribution need not multiply its sovereign balance-sheet identity (Auer & Böhme, 2020). A tokenized deposit remains a claim against an identified commercial bank; singleness across banks is produced through par convertibility and final settlement in central-bank money (Garratt & Shin, 2023). A globally circulating stablecoin combines bearer-like transfer and brand-level fungibility with privately organized, potentially issuer-specific reserves and obligations. Its provenance problem is distinctive: the market can present one token while the balance sheets and legal relationships beneath it remain plural. Juridical singleness names the condition under which that plurality ceases to alter the core rights carried by an individual unit.

4. Research Design and Evidence: A Comparative Doctrinal and Document-Based Study

4.1 Comparing the Statutory Regimes

The study combines comparative doctrinal analysis with a structured review of issuer documents. It examines legislation, official guidance and relevant private-law and insolvency rules to determine the rights a stablecoin holder can enforce. The same questions guide the examination of issuer terms and disclosures, allowing their provisions to be read alongside the applicable statutory framework. The evidence concerns documented legal arrangements and the conditions attached to holder rights. The study does not estimate the causal effects of stablecoin regulation.

Canada, the European Union, and the United States represent materially different constructions of issuer and holder rights. Canada's Stablecoin Act applies to stablecoins that have or could reasonably be expected to have interprovincial or international applications, although its operative provisions remained outside force at the research date (Stablecoin Act, 2026, ss. 10, 97). The EU's Markets in Crypto-assets Regulation provides the clearest holder-level formulation among the three regimes: every e-money-token holder has a claim against the issuer and may demand redemption at any time, at par, and without a fee, subject to applicable recovery measures (Regulation (EU) 2023/1114, art. 49). The EU also provides the principal setting for legal controversy concerning fungible tokens issued through multiple entities (Sotiropoulou & Direr, 2026; Zetzsche, 2026). The U.S. GENIUS Act combines issuer-focused reserve regulation with express holder priority in insolvency and a comparability and registration regime for foreign issuers (GENIUS Act, 2025, §§ 11, 18).

The comparison applies a common analytical framework of legal questions to each regime. It asks who counts as an issuer, which outstanding units are attributable to that issuer, who may require redemption, and what timing, fees or other restrictions apply. It also addresses reserve attribution and segregation, insolvency rights, the treatment of secondary and custodial holdings, and the recognition of foreign and multi-issuer arrangements. Each finding identifies the relevant source provision and explains whether it establishes a right, leaves the position unresolved, or makes the outcome dependent on further rules or issuer terms. Applying these questions consistently permits comparison of the same holder-facing legal relationships across

statutes that use different terminology and allocate rights differently. Statutory silence is distinguished from an express restriction.

4.2 Issuer Documents and the March 2023 Stress Event

The review of issuer documents examines the publicly available terms, redemption policies, reserve disclosures and white papers discussed in Section VI. The documents are selected to illustrate different ways of allocating redemption rights and conditioning their exercise, including arrangements involving several issuers or jurisdictions. The analysis asks who can redeem, which entity must perform, what account or verification conditions apply, and whether the documents provide for the transfer of rights or access to reserves. Each finding is confined to the issuing entity, holder category and document version concerned. The review supplies examples against which to assess the statutory analysis and the concept of juridical singleness.

The March 2023 USDC dislocation serves as a bounded stress-event study. The evidence comprises contemporaneous official and issuer statements, the terms then in force, timestamped market-price data, and the Federal Reserve's on-chain analysis of issuance and redemption (Watsky et al., 2024). The inquiry traces whether distinctions in direct redemption access, banking hours, and intermediary arrangements became economically observable during the event. A single episode cannot establish general causal effects. The case tests the plausibility and practical visibility of the proposed legal mechanism (Epstein & King, 2002).

5. The Comparative Legal Anatomy of Par: Debtor, Reserve, Transfer, and Insolvency

Par redemption is a relational legal condition. A statutory promise of one unit of currency for one stablecoin remains incomplete until the law identifies the debtor, eligible claimant, supporting assets, and consequences of transfer and insolvency. Token control, contractual redemption, reserve interests, and insolvency claims can arise under different bodies of law (Bruce et al., 2022). Canada, the European Union, and the United States allocate these elements through distinct statutory architectures.

5.1 Canada: Par Redemption Without Monetary Status

Canada's Stablecoin Act received royal assent on 26 March 2026. Its substantive provisions had not entered into force by the research date of 1 August 2026. The following analysis concerns enacted statutory architecture. Regulations may still determine reserve composition, redemption conditions, custody, reporting, and exemptions before commencement (Stablecoin Act, 2026, ss. 35–39, 93, 97).

The perimeter is based on market connection rather than domicile. The Act applies only to stablecoins that have or could reasonably be expected to have interprovincial or international applications (s. 10). "Issue" means creating a stablecoin and making it available for purchase, directly or indirectly, by a person in Canada; the person performing that activity is the issuer (s. 2). A foreign entity may therefore enter the regime through Canadian-directed issuance. The position is less certain where a token issued abroad later circulates into Canada without such issuance. Financial institutions and central banks are excluded under sections 12 and 13, subject, in the former case, to regulations.

The Bank of Canada must maintain a public registry of issuers (s. 16). An applicant must disclose its organization, affiliates, third parties, technological systems, redemption policy, and reserve arrangements. An

independent lawyer must assess whether those arrangements satisfy the statutory segregation and creditor-protection requirements (s. 17). These disclosures can connect a regulated person to its technical and reserve architecture. The Act does not require each circulating unit to retain an identifier linking it to the registry entry.

Section 14 permits the Governor to disapply some or all of the Act where a provincial or foreign law applicable to an applicant or issuer is substantially similar, subject to conditions. The exemption operates at the level of the person or class. It does not identify which entity issued a unit or make reserve pools maintained under similar regimes mutually available. Regulatory equivalence therefore leaves the identity of the redemption obligation untouched.

Sections 33 and 34 separate stablecoins from sovereign and bank money. An issuer may neither issue nor describe a stablecoin as legal tender, a deposit or proof of deposit, publicly insured money, or a government-guaranteed or backstopped instrument. Par under the Act derives from a regulated private obligation supported by reserved assets. It carries none of the listed monetary statuses.

Section 35 requires an issuer to redeem outstanding stablecoins in the reference currency at par. "Outstanding" means issued and purchased but neither redeemed nor cancelled (s. 2). The provision ties the duty to the issuer's outstanding units, but does not expressly grant every holder a claim or a right to redeem at any time. Section 36 requires a public policy setting the conditions, manner and timing of redemption, fees or charges, and third-party roles. Direct eligibility, minimum amounts, identification requirements, settlement periods, and fees may consequently depend on regulations and the policy adopted under them.

Sections 37–39 organize backing around the same issuer-specific stock. The reserve must equal or exceed the par value of outstanding units, be used only for redemption, and consist of the reference currency or qualifying high-quality liquid assets denominated in that currency. Encumbrances are generally prohibited. Qualified custodians must segregate the reserve from their own assets and the issuer's other assets; reserve assets are unavailable to their creditors, except to satisfy holders' redemption claims. This creates one-to-one backing and functional insolvency remoteness. The Act does not expressly deem every holder to possess a claim, prescribe distribution mechanics, or rank a reserve shortfall against the general estate.

The central Canadian issue is attribution. The expressions "stablecoins that the issuer has issued" and "outstanding stablecoins" assume that units can be assigned to an issuer and reserve. A registry identifies regulated persons, while a redemption policy identifies conditions. Neither provision determines whether a unit transferred through foreign exchanges, self-custody, or a related foreign issuer belongs to the Canadian issuer's legally outstanding stock.

5.2 European Union: A Universal Claim Confronts Territorial Reserves

For e-money tokens, MiCA states the holder's position directly. Holders of e-money tokens have a claim against the issuers "of those e-money tokens." Issuance must occur at par upon receipt of funds, and a holder may demand redemption at any time and at par in the referenced official currency. Redemption is free of charge, without prejudice to the recovery provisions referred to in Article 49(6) (Regulation (EU) 2023/1114, art. 49). Current holding, rather than original subscription, is the apparent basis for redemption.

MiCA also gives holders of asset-referenced tokens a permanent redemption right against their issuers and, where issuers cannot meet their obligations under the framework in Chapter 6 of Title III, in respect of

the reserve assets (art. 39(1)). Redemption consists of payment in funds other than electronic money corresponding to the market value of the referenced assets, or delivery of those assets (art. 39(2)). Redemption fees are prohibited, without prejudice to Article 46 (art. 39(3)). This entitlement differs from Article 49's redemption at par in a single reference currency. It nevertheless presents the same question of legal identity: the holder's entitlement must remain connected to an identifiable issuer and the reserve supporting that issuer's obligations as the token circulates.

For the single-currency tokens examined here, Article 49's reference to the issuers "of those e-money tokens" still requires attribution. A single issuer can align token stock, liability, and reserve. A multi-issuance arrangement divides issuance and reserves between legally distinct EU and non-EU entities while the tokens circulate under a common brand and technical standard. Commercial fungibility may therefore coexist with different debtors, reserve pools, and insolvency regimes (Sotiropoulou & Direr, 2026; Zetzsche, 2026). Article 49 identifies the debtor in principle, while the token may fail to reveal which entity is the issuer "of" the unit held.

Territoriality compounds the issue. Ledger addresses ordinarily disclose neither residence nor legal status, and a holder's jurisdictional connection may change independently of an on-chain transfer. Self-custodial wallets are particularly difficult to locate. Digital assets also lack an exclusive territorial situs capable of resolving every proprietary and contractual question (Lehmann, 2024). A rule for tokens "held in the EU" must therefore rely on a proxy such as holder residence or a customer relationship with an EU-authorized intermediary.

The European Commission's 2026 MiCA review consultation treats these matters as unresolved. It lists cross-border migration during stress, reserve fragmentation, restrictions on cross-border transfers, and difficulty measuring EU holdings as possible multi-issuance risks. Questions 35–38 ask whether EU-held units, including those in unhosted wallets, can be identified; whether redemption rights should be confined to EU holders; whether reserve rebalancing may be impeded during stress; and whether stronger protection should attach to tokens "genuinely circulating" in the EU (European Commission, 2026). The consultation also considers limiting direct MiCA redemption to clients of EU-authorized crypto-asset service providers.

These questions are evidence of legal and operational uncertainty, not proof that the hypothesized migration or reserve impairment has occurred. The consultation has no legislative effect and disclaims a final Commission position. It nevertheless exposes a structural tension. Article 49 formulates redemption as a right of the holder, while reserves remain attached to issuers, entities, and jurisdictions. Universal presentment to the EU issuer could expose its reserve to units created elsewhere. Territorial restriction would require a workable legal test for holder or token location. MiCA provides the strongest textual continuity of holder rights, but multi-issuance makes the responsible debtor and reserve contestable.

5.3 United States: Issuer-Level Backing and Holder Claims

The GENIUS Act became law on 18 July 2025. At the research date, principal implementing rules remained proposed, and the Act had not taken effect (GENIUS Act, 2025, § 20; Office of the Comptroller of the Currency, 2026). This analysis addresses the enacted framework separately from later regulations.

Section 4 requires each permitted issuer to maintain identifiable reserves backing its outstanding stablecoins on at least a one-to-one basis. Eligible assets include currency, qualifying demand deposits, short-

dated Treasury obligations, specified repurchase transactions, government money-market funds, and approved similarly liquid federal assets. The issuer must disclose monthly the number of units it issued and the composition, tenor, and custody location of its reserves. Rehypothecation is generally prohibited (GENIUS Act, 2025, § 4(a)(1)–(2)). Backing is therefore calculated against the issuer's outstanding stock, rather than aggregate circulation under the token brand.

The issuer must publish clear procedures for timely redemption. Regulators alone may impose discretionary restrictions on timeliness. Fees are permitted if clearly disclosed, with at least seven days' notice before a change (§ 4(a)(1)(B)). The statutory definition also requires the issuer to be obligated to convert, redeem, or repurchase for a fixed monetary amount (§ 2(22)). The Act does not expressly give every current holder direct presentment rights outside insolvency. Account eligibility, customer identification, minimum amounts, and secondary-holder access may remain subjects for issuer policies, other law, and implementing rules.

Section 11 supplies detailed insolvency protection. A person holding stablecoins "issued by" the insolvent permitted issuer receives ratable priority over other claims against required reserves. The Act deems such a holder to possess a claim, excludes required reserves from the estate, and permits distributions despite the automatic stay. A shortfall claim receives first priority over every other claim to the extent the deficiency reflects reserves that section 4 required (§ 11). Present holding therefore establishes statutory insolvency standing without proof of direct contractual privity.

The words "issued by" remain a threshold condition. In a multi-entity arrangement, the claimant must establish which entity created the units or assumed their obligations. Section 4 requires identifiable reserves and issuer-level outstanding counts, but does not expressly mandate unit-level on-chain labeling. Minting records, issuer books, contractual allocation rules, or tracing evidence may determine whether the insolvency protection applies. Ledger control alone may be insufficient where token rights and issuer obligations arise through separate legal relationships (Bruce et al., 2022).

Section 18 imposes additional conditions on foreign issuers. They require supervision under a regime Treasury considers comparable, registration with the Comptroller, consent to U.S. jurisdiction, and reserves in a U.S. financial institution sufficient for U.S. customer liquidity unless reciprocity permits otherwise. Bilateral arrangements may recognize jurisdictions with comparable reserve, compliance, and supervisory requirements (GENIUS Act, 2025, § 18). The concept of "U.S. customers" creates a territorial reserve category and raises a familiar question: which units and holders belong to that localized obligation?

5.4 Comparative Findings

Table 1: Summary of Comparative Findings

Question	Canada	European Union (e-money tokens)	United States
Who owes par?	Issuer of the relevant outstanding units.	Issuer of "those" e-money tokens.	Permitted or recognized foreign issuer of the units.
Who may demand par?	Determined through s. 36 policies and regulations; no express universal holder claim.	Any holder, at any time and without a fee, subject to applicable recovery measures.	Policy and implementing law govern access outside insolvency; every qualifying holder has an insolvency claim.

Question	Canada	European Union (e-money tokens)	United States
Which reserve supports it?	Issuer's segregated reserve for its outstanding units.	Reserve attributed to the relevant EU issuer.	Identifiable reserve for the permitted issuer's units; localized liquidity reserve for foreign issuers.
Does the claim survive transfer?	Transferee standing is not expressly defined; attribution remains necessary.	Holder language indicates continuity, subject to issuer identification.	Current holding establishes insolvency standing, subject to proving issuance by that issuer.
What occurs in insolvency?	Reserve protected from general creditors; no express priority for a shortfall.	Article 49 supplies a holder claim, while safeguarding and priority depend partly on applicable e-money and national insolvency law.	Ratable reserve priority, deemed claim, estate exclusion, and limited super-priority for a deficiency.
How are foreign units treated?	Foreign issuers may be regulated or exempted under substantial similarity.	Multi-issued units circulate across EU and non-EU entities without a statutory unit-level territorial marker.	Comparable regulation, registration, U.S. liquidity reserves, and possible reciprocity.

In Table 1, none of the regimes treats the token brand or species as sufficient legal identity. Canada and the United States principally regulate units attributable to a particular issuer and its liabilities. MiCA begins from holder status, but still directs the claim against the issuer "of those" units. Territorial criteria re-enter through Canadian market connection, EU reserve localization and proposed holder tests, and U.S. customer liquidity for foreign issuers.

A token may therefore circulate under one brand while law allocates par by issuer, reserve pool, territory, or claimant status. Canada leaves transferee eligibility substantially to regulations and redemption policies. MiCA supplies the strongest textual continuity of holder rights, though multi-issuance unsettles the connection to the responsible reserve. The GENIUS Act gives present holders the clearest insolvency consequences, conditional on issuer attribution. Each regime can protect par within an identified issuer-holder relationship. None establishes that every technically interchangeable unit carries an equivalent legal route to par throughout global circulation.

6. Does the Right Follow the Token? Contract and Market Evidence

6.1 Four Distinct Routes to Par

The issuer documents examined here show that "redeemability at par" does not describe a single legal condition. Four forms of access must be separated. A statutory entitlement arises directly from legislation and may apply regardless of contractual privity, as Article 49 of MiCA purports to do for holders of electronic-money tokens. A contractual entitlement is an enforceable promise made by an issuer, frequently subject to eligibility conditions. Operational access exists when the holder can actually invoke that promise through an approved account, verified wallet and supported settlement channel. Economic access arises when an intermediary, market maker or exchange purchases the token at or near par without providing the holder with

a claim against the issuer. These categories can overlap, but neither contractual doctrine nor market practice supports treating them as equivalent (Bruce et al., 2022).

The issuer documents examined here reveal a consistent division between holding a token and accessing its primary redemption mechanism. Across the public contracts examined for USDT, USDC under the terms applicable outside the European Economic Area (EEA), PYUSD, USDG, RLUSD and U, possession alone was insufficient for direct issuer redemption. Circle's non-EEA USDC terms and the Paxos, Ripple and United Stables contracts reviewed here distinguish approved customers from non-customer holders and reserve direct redemption for the former. Tether similarly requires a verified customer relationship and describes the redemption right as personal to that customer. Anchorage Digital Bank's terms are especially explicit: non-clients have no contractual relationship with the bank and no enforceable rights against it in respect of covered stablecoins, except to the extent that rights arise under applicable law (Anchorage Digital Bank, 2025; Circle, 2025; Paxos, 2026; Ripple, 2024; Tether, 2026; United Stables, 2025).

The review also identified material differences beneath this common structure. Paxos states that reserves benefit customer and non-customer holders, while limiting direct redemption to registered customers. For the multi-issued USDG, the entity through which issuance or redemption occurs can depend on the customer's residence and the Paxos entity with which the customer is registered; reserves maintained by Paxos Digital Singapore and Paxos Issuance Europe separately support the units issued by each entity (Paxos, 2026). By contrast, United Stables characterizes redemption as a contractual service rather than a claim to any reserve asset and gives ordinary "Holding Users" neither direct redemption nor preferential rights in the reserves (United Stables, 2025). The USD1 product page stated that USD1 was redeemable one-for-one but did not itself identify the persons entitled to present tokens, the contractual procedure or the redemption debtor. The product page alone did not establish those elements of the holder's legal position and therefore provided insufficient evidence of a universal redemption entitlement (World Liberty Financial, n.d.).

6.2 USDC under the Non-EEA and MiCA Frameworks

Circle Internet Financial, LLC's non-EEA USDC terms illustrate how a right may follow a token formally while remaining inaccessible operationally. These terms distinguish "Type A" users, who have Circle Mint accounts, from "Type B" users, who hold USDC without being Circle customers. Only Type A users may redeem directly. A Type B holder must first satisfy Circle's eligibility requirements and open an account (Circle, 2025).

The terms nevertheless provide that transferring USDC automatically assigns the redemption right to each subsequent holder. That assignment is expressly conditional: the transferee must be eligible for, and actually register, a Circle Mint account. The object transferred is consequently a conditional contractual right, not an immediately exercisable claim available to every possessor (Circle, 2025).

Circle Internet Financial Europe SAS became a second issuer of USDC on 1 July 2024, and the non-EEA terms direct EEA holders to that entity's USDC white paper (Circle, 2025). The French entity issues both USDC and the separate euro-denominated token EURC within the MiCA framework (Zetzsche, 2026, n. 12). Article 49 supplies the statutory basis for the European USDC redemption entitlement. The issuer's USDC white paper recognises a claim against Circle Internet Financial Europe SAS for EEA holders, with redemption at par subject to applicable anti-money-laundering checks (Circle Internet Financial Europe SAS, 2026; Regulation (EU) 2023/1114, art. 49).

6.3 Market Access Under Stress: March 2023

The distinction acquired economic significance during the March 2023 USDC dislocation. This event preceded the application of MiCA's e-money-token rules on 30 June 2024. The case examines redemption access during stress under the arrangements operating in March 2023 (Regulation (EU) 2023/1114, art. 149(3)). On 10 March, Circle disclosed that approximately US$3.3 billion of roughly US$40 billion in USDC reserves remained at Silicon Valley Bank when the bank was placed into receivership. USDC subsequently traded below US$0.90 on secondary markets. Circle's direct customers were predominantly exchanges, financial-technology firms and institutional traders, while most retail holders relied on centralized or decentralized secondary markets (Watsky et al., 2024).

During the weekend, Circle stated that issuance and redemption were constrained by the operating hours of the United States banking system. Some intermediaries also paused one-for-one USDC conversion services, narrowing the routes through which secondary holders could exit. Decentralized-exchange volumes exceeded US$20 billion on 11 March, compared with typical daily volumes of approximately US$1–3 billion (Watsky et al., 2024). The Federal Reserve study combines on-chain issuance and redemption data with centralized- and decentralized-market observations. It is a descriptive event study rather than a causal design, and its authors acknowledge that on-chain records cannot reveal the size of any off-chain redemption backlog. It nevertheless demonstrates that formal redemption capacity and practical holder access can diverge during a bounded stress event.

This result is consistent with broader empirical evidence on arbitrage. Lyons and Viswanath-Natraj (2023) estimate that changes broadening access to Tether's arbitrage mechanism reduced absolute peg deviations by approximately half. The study concerns one stablecoin and particular design changes, which limits generalization, but it shows how transactions by selected primary-market participants can sustain a common secondary price for holders who lack direct redemption access.

6.4 Juridical Implication

The evidence therefore supplies a qualified answer to whether the right follows the token. Some contracts expressly transfer a conditional redemption right, while others locate redemption in a personal customer relationship. Even where an entitlement travels formally, its exercise may depend on the transferee's identity, jurisdiction, account status, wallet verification, governing terms and access to banking infrastructure. Secondary-market liquidity can provide economic exposure to par without creating a direct claim against the issuer or reserves. In normal conditions, arbitrage may conceal these differences behind a common price. Stress reveals that ledger control, contractual entitlement and practical convertibility are separate incidents. Technical transferability therefore does not establish juridical singleness unless the identity of the debtor, the applicable reserve and the conditions of enforcement remain functionally invariant after transfer.

7. The Stablecoin Identity Trilemma

7.1 The Proposition

The stablecoin identity trilemma describes a structural constraint on multi-jurisdictional issuance. In the absence of an enforceable mechanism connecting participating issuers, their liabilities and their reserve pools, a stablecoin arrangement cannot fully assure three conditions simultaneously: global technical

fungibility, jurisdictional reserve segregation and holder-neutral portability of rights. The proposition measures legal assurance ex ante, including during stress and insolvency. A common trading price or a history of successful redemptions does not satisfy that standard.

Global technical fungibility exists when every unit bearing the same stablecoin designation is accepted as interchangeable across supported ledgers, wallets and trading venues. Jurisdictional reserve segregation requires each issuer to maintain a locally protected reserve corresponding to the liabilities attributable to that entity. Holder-neutral portability exists when any lawful transferee receives functionally equivalent redemption and insolvency rights, enforceable against an accessible issuer, regardless of the unit's origin, the holder's location or the path through which the token circulated. The first condition concerns the token's market and technical identity. The second concerns balance-sheet allocation. The third concerns juridical identity.

This formulation extends the literature on multi-issuer stablecoins. Zetzsche (2026) identifies parallel and syndicated issuance structures under MiCA and analyzes the organizational and reserve-rebalancing arrangements required to connect participating issuers. Sotiropoulou and Direr (2026) examine the liquidity, supervisory and financial-stability risks created when fungible tokens are issued under divergent regulatory regimes. The trilemma recasts these institutional problems as a unit-level legal constraint: which debtor, reserve and insolvency regime remain attached to a token after it moves beyond the issuing entity's distribution network?

7.2 The Conflict Between Fungibility and Segregation

Consider two entities issuing technically indistinguishable units of the same stablecoin. Issuer A holds a segregated reserve equal to the units it originally issued, while Issuer B does the same in another jurisdiction. If every unit can be redeemed against either issuer, Issuer A's potential redemption exposure includes units originating with Issuer B. Its legally attributable reserve, however, covers only its own issuance. A localized run may therefore generate claims against A exceeding the reserve assigned to A, even though the arrangement remains fully backed in aggregate. Recent scholarship identifies this concentration of redemption pressure and the possible ring-fencing of foreign reserves as central risks of multi-issuance structures (Sotiropoulou & Direr, 2026; Zetzsche, 2026).

Universal presentment can be sustained through joint and several liability, an enforceable cross-guarantee, a pooled reserve or a binding mechanism that transfers reserve assets as redemption liabilities migrate. Each mechanism changes the legal structure. Joint and several liability makes every participating issuer answerable for a common obligation. Reserve pooling or cross-guarantees expose locally held assets to liabilities generated elsewhere. Rebalancing preserves separate pools formally, but makes each pool economically dependent on transfers from other entities. Strict jurisdictional segregation is consequently qualified whenever any issuer promises to redeem every branded unit.

The opposite allocation preserves segregation. Each issuer answers solely for the units attributable to it. That structure requires the system to preserve or reconstruct provenance. An issuer identifier could be embedded in the token, maintained in an authoritative off-chain register or inferred from minting and transfer records. Zetzsche (2026) describes issuer earmarking as one possible response, while observing that differentiated units may reduce liquidity and increase depegging risk for smaller regional issuances. Provenance tracking also becomes difficult after tokens pass through custodial omnibus accounts, bridges,

decentralized protocols or self-custodial wallets. The European Commission's 2026 MiCA consultation specifically identifies uncertainty in measuring jurisdictional holdings, cross-border token migration and reserve rebalancing during stress (European Commission, 2026).

7.3 Location-Based Rights and Juridical Differentiation

A third approach assigns rights according to the holder's location rather than the unit's origin. An EU holder might receive MiCA redemption rights against an EU issuer, while a holder of a technically identical unit elsewhere depends on another statute or issuer contract. This preserves brand-level circulation and may reduce the need to trace original issuance. It creates juridical differentiation because the legal incidents of the unit change when the holder or custody arrangement changes. Location itself may be indeterminate where a token is held in an unhosted wallet, through a cross-border custodian or for several beneficial owners in an omnibus address. The Commission's questions concerning whether redemption should be restricted to EU holders or clients of EU-authorized intermediaries illustrate this unresolved attribution problem (European Commission, 2026).

The distinction parallels the BIS account of monetary singleness. Garratt and Shin (2023) argue that bearer-like stablecoins can depart from par because they lack the settlement structure that makes bank deposits convertible through central bank money. The identity trilemma adds a private-law dimension: market singleness also depends on whether equivalent claims and reserve access accompany technically interchangeable units.

7.4 The Limits of Regulatory Equivalence

Regulatory equivalence can reduce differences in issuer authorization, reserve quality and supervision. Its legal effect ordinarily concerns recognition of a third country's regulatory outcomes and the conditions under which its institutions may access another market (Spatti, 2026). It does not itself assign a holder's claim to another issuer, impose joint liability, transfer an interest in segregated reserves or harmonize insolvency priorities. Those consequences require an additional statutory, contractual or organizational mechanism.

The trilemma can therefore be relaxed, though only through a legally consequential connection among issuers and reserves. Joint liability or reserve mutualization qualifies segregation. Issuer-specific provenance qualifies global fungibility. Holder-location rules qualify portability. A structure capable of sustaining all three must create a common juridical architecture beneath the common technical brand. Without that architecture, the appearance of a single token species conceals a set of territorially bounded monetary claims.

8. Legal Design: Three Models of Stablecoin Identity

The identity trilemma does not establish a single optimal architecture. It identifies the legal arrangements required to align technical units with issuers, reserves and holder rights. Three ideal types follow from that analysis: unitary liability, network liability and segmented provenance. Actual arrangements may combine features of more than one model, but each model resolves the attribution problem differently.

8.1 The Unitary-Liability Model

Under the unitary-liability model, one legal person is responsible for every unit within the token species. Affiliates and technical service providers may perform minting, custody or distribution functions, but those activities do not divide the underlying monetary liability. Every qualifying holder has a claim against the same issuer, and all outstanding units are supported by a consolidated reserve or by reserve accounts legally constituted as one pool. The reserve may be distributed among custodians without losing its juridical unity, provided that the assets support the issuer's aggregate liability and remain subject to a common insolvency treatment.

This model produces strong juridical singleness because transfer does not alter the redemption debtor, applicable reserve or priority attached to the unit. Its structure resembles the Bank of England's preferred model for systemic stablecoins: a single issuance backed by a single reserve and supported by cooperation between home and host authorities (Bank of England, 2026). A universal statutory holder claim could further reduce dependence on contractual privity, as MiCA's Article 49 attempts to do for holders of electronic-money tokens.

The concentration that produces singleness also concentrates exposure. A single issuer must support redemption demands generated throughout the token's global circulation. Its home resolution regime becomes consequential for foreign holders, and locally imposed reserve restrictions may affect the entire token species. Cross-border distribution can also expose the issuer to overlapping conduct, payments and insolvency rules. The model therefore replaces inter-issuer fragmentation with a centralized source of operational and systemic risk. The scale of that exposure grows with the token's use as a settlement asset and with the absence of alternative routes to par (Sotiropoulou & Direr, 2026).

8.2 The Network-Liability Model

The network-liability model permits several authorized entities to issue technically interchangeable units. Juridical singleness is supplied through relationships among the issuers. Each holder must be able to obtain par from an accessible network member, regardless of which member originally issued the unit. This requires joint and several liability, a legally enforceable guarantee network or another arrangement that makes redemption obligations portable across participating entities.

Reserve design is central to the model. Separate reserve pools can support network-wide liability only if issuers have enforceable access to one another's reserves or can rebalance assets as tokens and redemption claims migrate between jurisdictions. The arrangement must specify the timing, valuation and priority of transfers, including during stress. Zetzsche (2026) identifies reserve rebalancing as a necessary feature of parallel multi-issuance and recognizes joint and several liability as one possible legal basis for common issuer responsibility. The European Commission's MiCA review similarly focuses on whether reserve transfers could be delayed or restricted when redemption pressure shifts across jurisdictions (European Commission, 2026).

A guarantee pool provides another form of mutualization. Russo's (2026) two-country model finds that an ex ante guarantee pool can reproduce the effects of complete reserve rebalancing while preserving fungibility. That finding is model-based and depends on assumptions concerning pool sufficiency, transfer availability and enforceability. It does not establish how a guarantee would be treated in the insolvency or resolution of a participating issuer.

A legally complete network must therefore address default as well as ordinary redemption. The holder's claim against a guarantor, the guarantor's recourse against the original issuer and the holder's interest in pooled reserves must remain enforceable across relevant insolvency proceedings. The UNIDROIT Principles provide a broader framework for recognizing proprietary rights in digital assets and preserving third-party-effective rights during insolvency, but leave significant questions to domestic law (UNIDROIT, 2023). The network model preserves technical fungibility and distributes institutional responsibility. Its juridical singleness depends on sustained coordination among contract, reserve, regulatory and insolvency regimes.

8.3 The Segmented-Provenance Model

The segmented-provenance model preserves the attribution of every unit to a particular issuer and jurisdiction. The issuer may be identified through a distinct smart-contract address, an issuer code embedded in the token, legally reliable metadata or an authoritative register linked to the ledger record. The identifying information must allow a transferee to determine the redemption debtor, governing law, reserve pool, redemption venue and applicable insolvency protections.

This approach accepts legal differentiation within a common brand family. Units may share a commercial designation and technical standard while remaining separate liabilities. The UNIDROIT choice-of-law framework illustrates the importance of publicly ascertainable issuer identity, including the issuer's name and statutory seat, when connecting a digital asset to an applicable legal system (UNIDROIT, 2023). Provenance can also facilitate reserve reconciliation because outstanding units remain attributable to the entity that received the corresponding issuance proceeds.

Segmentation carries market costs. Issuer-specific units may differ in liquidity, legal protection or perceived creditworthiness and may therefore trade at different prices. Zetzsche (2026) observes that issuer earmarking could create "built-in illiquidity" for smaller regional issuances. Such price differentiation would weaken the monetary singleness associated with acceptance of equivalent units at par (Garratt & Shin, 2023). Technical conversion between segments remains possible, but conversion would need to identify whether liability is transferred, extinguished and reissued, or guaranteed by another issuer.

8.4 A Juridical-Singleness Rule

The three models support a common evaluative rule. A claim that a stablecoin is globally fungible is legally supportable only where either every unit carries functionally equivalent core holder rights across the relevant issuers and jurisdictions, or each unit's issuer, supporting reserve, governing law, and redemption venue remain reliably identifiable throughout circulation.

The first condition applies to the unitary-liability and network-liability models. Functional equivalence does not require identical legal arrangements in every jurisdiction. It requires materially equivalent outcomes concerning the redemption debtor, access to par, permitted fees and delays, reserve protection, insolvency priority, and cross-border enforceability.

The second condition applies to the segmented-provenance model. The information connecting a unit to its issuer and governing legal regime must survive transfers and custody arrangements. It must also be reliable enough to establish the relevant debtor, reserve, governing law, and redemption venue in a dispute or insolvency proceeding.

The rule permits different institutional models while testing whether a claim of fungibility corresponds to the legal position of each unit. A technically uniform token may satisfy the rule through equivalent holder rights or reliable issuer attribution. Where neither condition is met, the common token designation reflects technical compatibility and market practice, rather than juridical singleness.

9. Conclusion: Money as Continuity of Rights

This article has examined stablecoin moneyness as a problem of legal continuity after transfer. Reserve backing, redemption obligations, and statutory recognition explain how a stablecoin is constituted at issuance. These features do not, by themselves, determine which rights a transferee receives when the unit moves through secondary markets, custodians, and jurisdictions. Technical fungibility and a common market price can coexist with different redemption debtors, reserve protections, governing laws, and insolvency priorities.

The comparative analysis shows that Canada, the European Union, and the United States regulate identifiable issuers while using different criteria to define attributable units, eligible holders, reserve claims, and insolvency protections. Issuer terms create a further distinction between possession of a token and direct access to redemption. Intermediaries may provide economic access to par for holders without an enforceable claim against the issuer, but that access depends on functioning primary and secondary markets. The March 2023 USDC dislocation illustrates how these differences can become economically significant when banking access and secondary-market exit routes are constrained (Watsky et al., 2024).

Juridical singleness describes the condition in which a transferee receives functionally equivalent core rights without having to investigate a unit's provenance. Multi-issuer arrangements make this condition difficult to maintain because technically interchangeable units may correspond to different liabilities, reserves, and insolvency regimes. The stablecoin identity trilemma explains why global technical fungibility, jurisdiction-specific reserve segregation, and holder-neutral portability of rights require a legal mechanism connecting issuers, reserves, and holder claims.

The unitary-liability and network-liability models seek to preserve fungibility through equivalent rights across the token species. The segmented-provenance model preserves the attribution of each unit to a particular issuer and jurisdiction, accepting reduced fungibility in exchange for legal clarity. A multi-issuer framework should therefore either preserve functionally equivalent core rights across issuers or keep the issuer and applicable protections reliably identifiable as each unit circulates. Reserve requirements and recognition of foreign issuers should be assessed against that choice. The holder must be able to establish the claim acquired with the unit and identify the issuer against which it can be enforced, including when the token moves between jurisdictions.

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